

U.S. Jury Links Congressmen, Builder in Conspiracy Probe

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By John Hanrahan

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BALTIMORE, June 22—A federal judge made public today a portion of a sealed grand jury presentment charging that Baltimore contractor Victor J. Frenkil conspired "with other persons" to defraud the United States on a government contract.

Named as playing roles in the alleged conspiracy, but not charged with any wrongdoing, were Sen. Russell B. Long (D-La.), chairman of the Senate finance committee, and Rep. Hale Boggs, (D-La.), House majority whip.

Chief Judge Roszel C. Thomsen of U.S. District Court also released a Justice Department memorandum starting that there was "insufficient legal basis to indict," despite the recommendations of the special grand jury and of two successive U.S. Attorneys that Frenkil be prosecuted.

The memo also says that no elected federal official committed any wrongdoing in the case.

The four-page abridged version of the original lengthy presentment says that Frenkil and his firm, Baltimore Con-

tractors, Inc., were the only ones charged in a draft indictment prepared by the grand jury.

Bernard Shepard, a vice president of Baltimore Contractors, Inc., was named in the presentment today as a co-conspirator with Frenkil, but not recommended for indictment.

Thomsen's summary of the presentment, like the Justice Department memo, says "the grand jury does not charge that any improper payment was made to any public official."

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A 4 Tuesday, June 23, 1970 THE WASHINGTON POST



By Margaret Thomas—The Washington Post

The home of Rep. Hale Boggs was, according to a U.S. jury, remodeled by the Frenkil contracting firm. The house is located at 5315 Bradley Blvd. in Bethesda. The jury report did not charge Boggs with wrongdoing.

HEARING, From A1

Thomsen said he was releasing the summary of the presentment in order to accommodate "the people's right to know," but was not releasing the presentment itself in order to protect certain other persons from unfair implications.

The charges released today are contained in a sealed document returned May 28 by a federal grand jury here. The panel at that time charged that U.S. Attorney General John N. Mitchell personally was blocking it from returning an indictment in the case.

The grand jury investigation centered on a claim by Baltimore Contractors, Inc., that it should receive \$5 million over and above the original \$11.7 million contract it had to build underground parking garages for the House of Representatives.

The summary of the panel's charges charged that Frenkil carried on the alleged conspiracy by:

- Promising employment benefits and advances to various officials in the office of the Architect of the Capitol in return for "favorable action" on the claim for extra payments.

- Threatening, directly and indirectly, various officials and employees of the architect's office with the loss of their jobs if the claim were not approved.

- Seeking the assistance of Sen. Long. This was, the summary says, "part of said conspiracy that the defendants would offer money to . . . (Long) . . . and another person as an inducement for them to bring the prestige, weight and influence of the respective offices to bear" on the architect's office to get the claim paid.

- Attempting to "gain the good will" of Boggs so that Boggs would bring his prestige to bear in attempting to get the claim paid. The summary says that Frenkil remodeled Boggs Bethesda home at a price "substantially below its cost" in order to win his backing.

- Seeking to obtain the assistance of the other members of both houses of Congress to help him on the claim and "causing them to intercede with the Architect of the Cap-

itol" at various times on the case.

Sen. Long's office said yesterday that he would have no comment on the presentment. When questioned on the case by The Washington Post last August, Sen. Long denied any wrongdoing.

He said he had asked his administrative assistant, Robert Hunter, to look into the claim

because it was meritorious," and because he had been asked to do so by former Sen. Daniel B. Brewster (D-Md.).

Work Acknowledged

Boggs issued a statement yesterday acknowledging that Frenkil had performed remodeling work on his house at 5315 Bradley Blvd., Bethesda, in 1966, but denying that he "ever sought to influence anyone in any way with respect to the merits of the contractor's claim on the Rayburn garage. My advice to him (Frenkil) was to seek relief from the General Accounting Office or the Court of Claims."

He said Frenkil submitted the low bid among five Maryland contractors for the job, and in a telephone interview yesterday said he felt he had "paid through the nose" for the work.

The claim on the garage contract, which has never been paid, is under review by an independent consultant. Frenkil was claiming that his firm was entitled to the \$5 million in extra payments because the firm had incurred unanticipated costs as the project progressed.

In releasing the summary of the presentment today, Judge Thomsen did not rule out future prosecution of the case. U.S. Attorney George Beall, who had concurred in the recommendation of his predecessor, Stephen H. Sachs, that the case be prosecuted, said today he could "not predict" whether the investigation would be pursued by a future grand jury.

Such a prosecution seems unlikely, since the Justice Department has firmly opposed returning an indictment in the case.

While ruling today that some of the sealed presentment should be made public, Judge Thomsen also granted a motion to suppress the sealed document itself and to remove it forever from public

view.

The motion to suppress and expunge was filed last week by a group of prominent Washington and Baltimore attorneys known to represent various persons in the draft indictment.

June 12 Memorandum

The Justice Department memorandum released today was prepared June 12 for Will Wilson, assistant attorney general who heads the Criminal Division, by Henry Peterson, deputy assistant attorney general, and three other department officials. One paragraph giving a summary of the case was deleted from the copy of the memorandum that was given the press, Thomsen said.

The memorandum states that the Criminal Division, after a "careful review of the

evidence and the law," believes "there is insufficient legal basis and supporting evidence to prove the charges made by the grand jury in this matter."

The investigation, the memo continues, "does not indicate that there was any conspiracy undertaken for unlawful purposes."

Conduct Criticized

The memo goes on to label the conduct of Frenkil and his "associates" as "heavy-handed" in pushing the claim, but states that "neither Frenkil's conduct nor that of his other associates can be proven to be a violation of any criminal statute."

Employees of the Capitol Architect's office, the memo states, may disagree with Frenkil on the merits of the claim but they "do not doubt that he honestly believed that his claims were meritorious."

The Justice Department report says the grand jury's evidence was "insufficient to show any instance of corruption on the part of any federal officers or employees of any branch of the government."

The panel's probe also failed to show that Frenkil's claim was fraudulent or that the alleged threats made by Frenkil or his associates were a violation of federal statutes, the memo states.

Time Factor

As for Rep. Boggs, the de-

These reports referred to allegations, which the panel once heard, that Brewster and Sen. Long were offered as much as \$125,000 each to exert pressure to obtain payment of the claim.

Brewster is under indictment on federal bribery charges in an unrelated case.

Reps. Long and Friedel told reporters over the weekend that their only involvement in the case was in attempting to hasten a decision on the claim for a constituent, that is, Frenkil.

Justice department sources said yesterday their involvement was peripheral and blameless.

Also not included in today's action, but named in recent news stories as playing a key role in the battle over the contract, was Nathan Voloshen.

Voloshen, a long-time friend of McCormack's, pleaded guilty last week in New York to charges of using the speaker's office for influence peddling.

McCormack Report

Recent news stories said McCormack's involvement in the case was ambiguous. It was reported that he once had lunch with Voloshen and an employee of the Architect's office and during the meal Voloshen berated the employee concerning Frenkil's claim.

McCormack is said to have continued eating during this episode and did not join in the criticism.

Frenkil could not be reached for comment today.

Judge Thomsen released the documents today after a five-hour meeting with federal prosecutors and with the lawyers known to represent persons named in the sealed document.

They previously had objected to any public disclosure of any of the contents of the presentment.

partment memo states that it was "not until more than two years after the completion of the remodeling work that Frenkil asked Congressman Boggs to contact the Architect of the Capitol's office" on the claim.

"Thus, there is substantial doubt that the remodeling of Congressman Boggs' home is related closely enough to Frenkil's request for him to contact the Architect of the Capitol's office to be legally relevant and admissible in evidence," the memo continues.

"Additionally, Congressman Boggs' few contacts with the Architect of the Capitol's office cannot be shown to have been undertaken for any improper motives."

As to Sen. Long being named in the draft indictment, the memo states that the "actions by Hunter in regard to Frenkil's claim as authorized by Sen. Long were not illegal" under federal law.

The documents released today omit the names of Brewster, House Speaker John W. McCormack (D-Mass.), Rep. Clarence Long (D-Md.) and Rep. Samuel N. Fridel (D-Md.). All were listed in weekend news reports as being named, to one degree or another, in the sealed presentment.