

Md. Engineer Gets Jail in Agnew Case

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BALTIMORE, Dec. 20—

Weeping as he spoke, a Baltimore County engineer admitted in federal court here today that he paid kickbacks to Spiro T. Agnew and other public officials and said he lied to a grand jury about the illegal payments to protect Agnew, whom he described as his "political idol."

Eugene Y. Hsi told Judge Edward S. Northrop he paid cash kickbacks directly to Agnew six times while Agnew was Baltimore County executive, governor of Maryland and Vice President of the United States to insure the survival of Hsi's small engineering firm.

The judge then sentenced him to two years in prison, with all but six months suspended, and a \$5,000 fine for lying to a grand jury in June, 1973, when it was investigating kickbacks to then Baltimore County Executive Dale Anderson.

Hsi, 51, had never before been identified as one of those who paid kickbacks to Agnew. He is the first architect or engineer who did not cooperate in the Agnew probe to admit making direct payments—"several thousand dollars"—to Agnew.

Agnew, who pleaded no contest to a tax charge and resigned in October, 1973, in connection with kickback allegations, has reportedly become a prosperous businessman with a six-figure income and is living in the wealthy community of Crofton in Anne Arundel County. Anderson, who was convicted of taking kickbacks last spring, is still appealing his conviction.

At the time Hsi testified before the grand jury, Assistant U.S. Attorney Joshua Treem said in court today, prosecutors were unaware of the Agnew kickbacks and were questioning Hsi about kickbacks he admitted today that he paid Anderson.

Hsi said today, tears streaming from his eyes, that he lied

because he knew truthful answers would reveal his kickbacks to Agnew. "I felt I couldn't tell on him, although I know now it was all wrong," Hsi said.

Agnew, he said, "was my political idol. He was the Vice President."

"I got very much involved with Mr. Agnew. I supported him and saw that he success-

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fully ran for county executive, then governor, then Vice President. He was my friend," Hsi said. "He may still be."

Hsi was one of seven unnamed architects and engineers who prosecutors said paid kickbacks to Agnew referred to in a 40 page summary of evidence released when Agnew resigned. Four consultants have admitted in court to paying kickbacks directly to Agnew but all four were cooperating with prosecutors under plea-bargained arrangements. Agnew has maintained that his accusers were attempting to "extricite themselves" from their own legal problems by making deals with prosecutors.

Hsi, born in Shanghai, China, said he became involved in politics after becoming a naturalized citizen in 1960. "I thought everyone in the United States ought to be interested in politics," he said. "That's how democracy in the U.S. works."

He became a Republican and was active in Republican politics in Baltimore County, Hsi testified. That was how he met Agnew, who ran as a Republican candidate for county executive in 1966. He said they became close friends after Agnew was elected.

He did not detail how the kickback arrangement with Agnew started. He said he would deduct sums from the pay of employees of his firm—HHBD—or from their bonuses to obtain cash for the kickbacks to Agnew. He then received county contracts, which he described as "small."

Hsi said his firm had only seven or eight professionals, tiny compared with other firms involved in the Agnew case, and that he earned only about \$15,000 annually as head of the company.

The federal investigation, which is now focusing on two friends of Maryland Gov. Marvin Mandel, so far has resulted in guilty or no contest pleas by or judgments of guilt against four public officials and seven others including architects and engineers.

Two prominent business men, Allen I. Green and I. H. (Bud) Hammerman, were recently sentenced to prison for their confessed roles in payment of kickbacks to Agnew. Green was sentenced to a year in prison and Hammerman to 18 months. Former Anne Arundel County Executive Joseph W. Alton Jr. is awaiting sentencing Jan. 3 for his guilty plea to kickback charges.