

Probe of Alleged Kickbacks Includes Others

Jury Investigating Baltimore County Executive

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Baltimore County Executive Dale Anderson, one of Maryland's most powerful Democrats, has been notified by federal officials that he is under investigation by a grand jury conducting a massive probe of alleged kickbacks to county officials from contractors doing business with the sprawling suburban county.

Sources said the notice was mailed to Anderson, who is the state's former Democratic national committeeman. The notification is standard federal procedure, knowledgeable sources said, in investigations that could lead to the indictment of political figures.

Anderson yesterday refused to confirm or deny receipt of the notification, and denied any wrongdoing. Concerning the investigation itself, he said: "This is supposed to be

secret information, and as a well-trained lawyer I'm rather shocked at what has leaked out."

In addition to Anderson, sources said, the grand jury also is investigating several other present or former Baltimore County officials including one who worked under Spiro T. Agnew when he was Baltimore county executive and another who went with Agnew when he became vice

president and served on his staff.

Despite this fact, sources in Baltimore, Washington and Towson, the seat of Baltimore County, have stated categorically that the vice president himself is in no way involved in the investigation and that widespread rumors to the contrary are without foundation. Agnew was county executive from 1962 to 1966, when he was succeeded by Anderson,

who was up to then a member of the County Council. Agnew then served as Maryland governor until 1969 when he was inaugurated as vice president. Marvin Mandel was elected by the General Assembly to replace Agnew.

The grand jury, sources say, is investigating alleged kickbacks from contractors, engineers and architects who have done business with the county.

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Since January, federal officials have subpoenaed the records of about 100 firms that have done more than \$1,000 worth of business each with the county during the fiscal years of 1969, 1970 and 1971.

At the same time, the grand jury subpoenaed the county's own records for the three fiscal years. The records, which reportedly filled 120 filing cabinets, were shipped to Baltimore where photocopies of some documents were reportedly made. The county's records, reflecting its booming suburban growth and much public construction, have since been returned.

Baltimore County surrounds Baltimore City on three sides like a giant horseshoe and holds most of its suburbs. The county's population of 630,000 is second only to Prince George's and is overwhelmingly white. For years, the county under Anderson and the ruling Democratic organization has resisted efforts to locate public housing in the county and race has always been a dominant political issue.

The federal investigators' huge number of subpoenas the filing cabinets fuel of records, the persistent march of witnesses before the federal grand jury and an unneeded state grand jury of the county's prosecutor's office have put the Baltimore County political establishment in a dither.

The operation of the grand jury is also being carefully watched elsewhere in the state because Anderson and the pol-

itical organization he controls wield enormous statewide influence and play important roles in the Maryland General Assembly.

The base of Anderson's organization lies in the eastern part of the county—the spill-over of largely working class, blue-collar neighborhoods from Baltimore City where political clubs and organizational alliances are still the rule. Anderson has maintained this power base, first as a councilman during the days when Agnew was the county executive, and later as county executive himself, by acting as the spokesman for the dominant white majority that fears a black migration from Baltimore City.

The grand jury investigation also is being watched by others who say it confirms the suspicion that federal law enforcement officials have declared open season on Democrats. Some of these critics, including several lawyers familiar with the investigation, accuse the U.S. attorney for Maryland, George Beall, and his assistants of conducting a political search and destroy mission through the mounds of subpoenaed records, hoping to come up with incriminating evidence.

"They went in like gang busters," said an attorney familiar with the investigation. "They papered the county with subpoenas and they really aren't coming up with what they thought they would come up with. Their tactics smell of desperation."

Similar charges were made by other lawyers with knowl-

edge of the investigation, none of whom would speak for attribution. They maintained that the federal investigation would result in no indictments or indictments that would either be thrown out in court or result in verdicts of innocent.

Maryland Gov. Marvin Mandel, a Democrat, also has questioned whether the investigation will be politically impartial. "Look at the indictments when they come and see who is indicted and who is not indicted," he told a group of reporters recently.

Mandel mentioned the federal investigation in Baltimore County at the same time that he complained that federal agents in Maryland were trying to embarrass him politically by distributing a photograph showing him with a twice-convicted Baltimore night spot owner. Mandel made an extraordinary telephone call to Attorney General Richard G. Kleindienst last year to complain about the photograph distribution.

"Many innocent people have been part of grand jury investigations and have been hurt by these investigations," County Executive Anderson said yesterday. "That is why you are losing more and more of your good public servants like myself."

Anderson declined, however, to say whether he planned to step down or stay on when his present term of office is up next year.

He said Baltimore County had been singled out by federal investigators as a "whipping boy." In 1970 the U.S. Civil Rights Commission held hearings in Baltimore County and later branded it "an extremely racist county," a label Anderson has heatedly denied. He did not say yesterday, however, that the 1970 hearings and the present investigation were specifically related in any way.

Neither Beall, the U.S. attorney, nor any of his assistants would comment on the investigation except to ask that The Washington Post refrain from publishing a story about the grand jury's activities.

However, authoritative sources say that besides Anderson, other persons currently under investigation are: Jerome B. Wolf, 55, president of the Greiner Environmental Systems, Inc., who from April, 1969, to February, 1963, was a senior official in the public works department of Baltimore County and before that was chief of the county's bureau of engineering.

Wolf left his own consulting engineering firm in 1967 to become chairman of the state roads commission when Agnew became governor. In 1970, Wolf moved to Agnew's vice presidential staff as an assistant for science and technology. He left the Agnew's staff in January, 1970.

Wolf was out of town yesterday and could not be reached for comment.

• William E. Fornoff, 56, the county's administrative officer under both Agnew and Anderson since 1957, except for a 15-month period during 1965-66 when he worked for the Arundel Corp. He, too, could not be reached for comment.

Neither Matz, 49, a civil engineer, who with John Childs formed Matz Childs and Associates in 1955. The consulting engineering firm is one of the best-known in the county and does work in Maryland, Virginia and Delaware. Matz last night declined to comment on the investigation. "My lawyers have instructed me to make no comment on this matter," he said.

Sources close to the investigation say that in addition there are several other persons under investigation and that indictments likely would be returned between now and the middle of the summer. They emphasize, however, that the investigation still may not result in any indictments, although the chances of that happening are reported to be slim.

The grand jury probe is under the direction of Beall, the brother of Sen. J. Glenn Beall Jr. (R-Md.), but much of the actual investigation work is being conducted by an Internal Revenue Service task force of up to 20 agents under Assistant U.S. Attorneys Russell Baker and Barnett D. Skolnick.

In addition to financial records of private firms and the county, the grand jury has also subpoenaed election records from the county in an apparent attempt to trace political contributions. Records for elections held prior to 1970 had already been destroyed by the county's election board, which is now under a court order not to destroy any more records.