

Government's Case

The Agnew Evidence

Baltimore, Md.

Excerpts of the government's position from the evidence against Spiro T. Agnew as released by the office of U.S. Attorney General George Beall.

Introduction

The following statement is respectfully submitted to the court by the government at the arraignment of Spiro T. Agnew. It constitutes a detailed recitation of the facts and evidence developed by the investigation to date, which establish in part the source of the unreported funds which constitute the basis of the charge filed today. The presentation of this in court today was a material condition, requested by the Department of Justice, to the agreement reached between the government and Mr. Agnew.

Summary

I. The relationship of Mr. Agnew, I. H. Hammerman and Jerome B. Wolff:

In the spring of 1967, shortly after Mr. Agnew had taken office as Governor of Maryland, he advised Hammerman that it was customary for engineers to make substantial cash payments in return for engineering contracts with the state of Maryland. Mr. Agnew instructed Hammerman to contact Wolff, then the new chairman-director of the Maryland State Road Commission, to arrange for the establishment of an understanding pursuant to which Wolff would notify Hammerman as to which engineering firms were in line for state contracts so that Hammerman could solicit and obtain from those engineering firms cash payments in consideration therefore.

Hammerman, as instructed, discussed the matter with Wolff, who was receptive but who requested that the cash payments be elicited from the engineers be split in three equal shares among Agnew, Hammerman and Wolff. Hammerman informed Agnew of Wolff's attitude; Mr. Agnew informed Hammerman that

the split of the cash monies would be 50 per cent for Mr. Agnew; 25 per cent for Hammerman and 25 per cent for Wolff. Hammerman carried that message to Wolff who agreed to that split.

CONTACTS

The scheme outlined above was then put into operation. Over the course of the approximately 18 months of Mr. Agnew's remaining tenure as Governor of Maryland, Hammerman made contact with approximately eight engineering firms. Informed periodically by Wolff as to which engineering firms were in line to receive state contracts, Hammerman successfully elicited from seven engineering firms substantial cash payments pursuant to understandings between Hammerman and the various engineers to whom he was talking that the substantial cash payments were in return for the state work being awarded to those engineering firms.

The monies collected in that manner by Hammerman were split in accordance with the understanding earlier reached: 50 per cent to Mr. Agnew, 25 per cent to Hammerman and 25 per cent to Wolff. An eighth engineer contacted by Hammerman flatly refused to make payments and, instead, complained — first to his attorney and later to Governor Agnew himself — about Hammerman's solicitation. Wolff, informed of the complaint, reduced the share of work being awarded to the complaining engineer, but decided not to cut that engineering firm off completely from state work for fear of further exacerbating the situation.

DECISIONS

Wolff made initial tentative decisions with regard to which engineering firms should be awarded which state contracts. Those tentative decisions then would be discussed by Mr. Wolff with Mr. Agnew. Although Governor Agnew accorded Mr. Wolff's decisions great weight, the governor always exercised the final decision making authority. Often Wolff would present the gov-

ernor with a list of engineering firms competent in Wolff's judgment for a state job, and the governor would make the final selection of which particular firm would be awarded that job.

Hammerman also successfully solicited, at Governor Agnew's instruction, a substantial cash payment from a financial institution in return for that institution's being awarded a major role in the financing of a large issue of state bonds.

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II. The relationship between Mr. Agnew and Mr. Allen Green:

Shortly after Mr. Agnew's election in November 1966, as governor of Maryland, he complained to Allen Green, principal of a large engineering firm about the financial burdens to be imposed upon Mr. Agnew by his role as governor. Green responded by saying that his company had benefitted from state work and had been able to generate some cash funds from which he would be willing to provide Mr. Agnew some financial assistance. Mr. Agnew indicated that he would be grateful for such assistance.

CASH

Beginning shortly thereafter, Green delivered to Mr. Agnew six to nine times a year an envelope containing between 2000 and \$3000 cash. Green's purpose was to elicit from the Agnew administration as much state work for his engineering firm as possible. That purpose was clearly understood by Governor Agnew both because Green occasionally expressed his appreciation to the governor for state work being received by his company and because Mr. Green frequently asked for

and got from the governor assurances that his company would get further state work, including specific jobs.

Between Mr. Agnew's election and inauguration as vice president, Wolff contacted Green at Mr. Agnew's instruction, for the purpose of preparing for Mr. Agnew a detailed written computation of the work and fees which had been awarded to Green's company by Governor Agnew's administration. After assisting Wolff in the preparation of such a compilation, Green subcontracted. After assisting Wolff in the preparation of such a compilation, Green subsequently met with Mr. Agnew, who noted that Green's company had received a lot of work from Governor Agnew's administration and stated that he was glad that things had worked out that way. Mr. Agnew then went on to complain about the continuing financial burden which would be imposed upon him by his position as vice president and to express the hope that Green would not stop his financial assistance to Mr. Agnew. To Green's surprise, Mr. Agnew went on to state expressly that he hoped to be able to be helpful to Green with respect to the awarding of federal engineering contracts to Green's company.

PAYMENTS

As a result of that conversation, Green continued to make cash payments to Vice President Agnew three or four times a year up to and including December, 1972, these payments were usually about \$2000 each. The payments were made in both Mr. Agnew's vice presidential office and at his residence in the Sheraton-Park hotel in Washington, D.C. The payments were not discontinued until after the ini-



Telephoto
JEROME WOLFF
Ex-official in Maryland



LESTER MATZ
Engineering firm partner

tiation of the Baltimore County investigation by the U.S. Attorney for the District of Maryland in 1973.

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III. The relationship with Mr. Agnew and Lester Matz:

Lester Matz, a principle in another large engineering firm (Matz, Childs, Inc.) began making corrupt payments while Mr. Agnew was county executive in early 1960s. In those days, Matz paid 5 per cent of his fees from Baltimore county contracts in cash to one of Mr. Agnew's close associates.

After Mr. Agnew became governor of Maryland, Matz decided to make his payments directly to Mr. Agnew. He made no payments until the summer of 1968 when he and his partner (John Childs) calculated that they owed Mr. Agnew approximately \$20,000 in consideration for the work which their firm had already received from the governor's administration.

The \$20,000 in cash was generated in an illegal manner and was given by Matz to Governor Agnew in a manila envelope in Governor Agnew's office on or about June 16, 1968. In handing the envelope to Governor Agnew, Matz expressed his appreciation for the substantial amounts of state work his company had been receiving and told the governor that the envelope contained the money that Matz

owed the governor in connection with that work.

Matz made no further corrupt payments to Mr. Agnew until shortly after Mr. Agnew became Vice President, at which time Matz calculated that he owed Mr. Agnew approximately \$10,000 more from jobs and fees which the Matz firm had received from Governor Agnew's administration since July, 1968. After generating \$10,000 in cash in an illegal manner, Matz met with Mr. Agnew in the Vice President's office and gave him approximately \$10,000 in cash in an envelope. Matz informed the Vice President at that meeting that the envelope contained money still owed to Mr. Agnew in connection with work awarded to Matz' firm by Governor Agnew's administration and that more such monies would be owed and paid in the future. Matz did make several subsequent payments to the Vice President. He believes that he paid an additional \$5000 to Mr. Agnew in cash.

In or around April, 1971, Matz made a cash payment to Vice President Agnew of \$2500 in return for the awarding by the General Services Administration of a contract to a small engineering firm in which Matz had a financial ownership interest. An intermediary was instrumental in the arrangements for that particular corrupt payment.

United Press