The Case Against Agnew

In agreeing to a negotiated plea, the Government would commonly file away forever the sheaf of evidence amassed against a defendant for possible trial purposes. Attorney General Elliot Richardson insisted that a full summary of the Government's case against the Vice President be attached to the court record and thus made public. Agnew reluctantly agreed, later pointing out that he did not admit to any of the allegations contained in the document. Nevertheless, the extraordinary, 40-page "exposition" prepared by U.S. Attorney George Beall and his staff constitutes a tightly woven, damning case against Agnew. Its high points:

The Government stated that its primary evidence against the Vice President came from four witnesses. Two were political associates of Agnew's: Jerome B. Wolff, 55, chairman of the Maryland road commission during Agnew's tenure as Governor (1967-69), and I.H. ("Bud") Hammerman II, 49, described as "a highly successful real estate developer and mortgage banker," who also served as a prominent Agnew fund raiser. They testified that they cooperated with Agnew in a systematic scheme to shake down engineers and road-building contractors in return for favored treatment in contract awards. The other two witnesses were Contractors Allen Green, 51, and Lester Matz, 40, who admitted that they personally delivered such illegal payments to Agnew and his intermediaries.

The Maryland political scene was described as a sordid hothouse of corruption in which the payoff system had been well established long before Agnew's emergence as a promising officeholder. At the time of his election as Baltimore county executive (1962), "it was well known in the business community that engineers generally, and the smaller engineering firms in particular, had to pay in order to obtain contracts from the county." State contractors shaken down during Agnew's term as Governor "were not surprised that payments would be necessary because it was generally understood that engineers had been making such payments for consulting work in a number of Maryland jurisdictions." In effect, the Government readily concedes that Agnew was caught up in a jungle not of his own making.

Early in his term as county executive, the Government claims, Agnew befriended the wealthy Hammerman and "often" discussed his financial situation. "Mr. Agnew complained about it, and told Hammerman that he had not accumulated any wealth before he assumed public office, had no inheritance, and as a public official received what he considered a small salary," the summary continues. "Mr. Agnew believed, moreover, that his public position required him to adopt a standard of living beyond his means and that his political ambitions required him to build a financially strong political organization."

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After Agnew was elected Governor, he told Hammerman that a "system" of "cash contributions" from favored contractors was a long-established practice in the statehouse. On Agnew's instructions, Hammerman arranged to find out from the newly appointed Wolff which firms had been awarded road-building contracts and to make certain that they paid their "contributions" to Hammerman. Wolff suggested that the three split such money evenly. "Governor Agnew at first replied that he did not see why Wolff should receive any share of the money, but he agreed to the division as long as he received 50% of the total payments," the summary recounts.

Though most firms "knew what was expected of them," Hammerman often called up successful bidders to "congratulate" them as a reminder. Potential contributors who made no move to ante up sometimes received less congratulatory messages. "Hammerman specifically recalls discussing with Mr. Agnew whether or not [a] particular financial institution would be awarded the lucrative state bond business, and that during that discussion Mr. Agnew commented that the principals at the institution in question were 'a cheap bunch' who 'don't give you any money,'" claims the Government. "Mr. Agnew informed Hammerman that he did not intend to award that institution the bond business in question unless a substantial 'contribution' were made." Eventually, say the prosecutors, it was and Agnew did.

Hammerman tried to collect between 3% and 5% of a contract's total value but is described as having been willing to accept "any reasonable sum." He "generally held Mr. Agnew's 50% share in a safe-deposit box until Mr. Agnew called for it." The Governor would do so by telephoning Hammerman to ask how many "papers" his friend was holding. Says the summary: "It was understood between Mr. Agnew and Hammerman that the term 'paper' referred to $1,000 in cash."

Some contractors preferred to deal directly with Agnew. Shortly after Agnew's inauguration as Governor, Green was treated to another of Agnew's recitations about the financial burdens of public office. "Green told him that his company had experienced successful growth and would probably continue to benefit from public work under the Agnew administration," recount the prosecutors. "He, therefore, offered to make periodic cash payments to Governor Agnew, who replied that he would appreciate such assistance very much." Thereafter Green visited Agnew "approximately six times a year," to hand over between $2,000 and $3,000 to Agnew and, not so incidentally, to seek state business for his firm.

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The prosecutors say that Agnew sought to hold on to his kickback income even after becoming Vice President (when his salary had risen to $62,500 annually plus $10,000 for expenses). Shortly before his inauguration, Agnew met with Green. "He then reiterated that he had been unable to improve his financial situation during his two years as Governor and that although his salary as Vice President would be higher than his salary as Governor, he expected that the social and other demands of the office would substantially increase his personal expenses," says the document. "For these reasons, he said he hoped that Green would be able to continue the financial assistance that he had been providing to him over the preceding two years."

Agnew assured the contractor that "he hoped he could be helpful to Green with respect to federal work." Some time later, Green dutifully showed up at Agnew's vice-presidential suite in the Executive Office Building with a cash payment, a practice that was to continue three or four times annually until last December. Awed and nervous, Green took some oddly prescient precautions. He referred inaccurately to the payments as "political contributions," meanwhile glancing silently at the ceiling to signal to Agnew that the room might be bugged.

Matz, who had also paid money to Agnew as Governor, was no less intimidated by the new surroundings. He visited Agnew in his office in 1969 to leave $10,000 cash in an envelope as payment of money "owed" by his firm for past state contracts. "Mr. Agnew placed this envelope in his desk drawer," the summary disclosed. "They agreed that Matz was to call Mr. Agnew's secretary when he was ready to make the next payment and to tell her that he had more 'information' for Mr. Agnew. This was to be a signal to Mr. Agnew that Matz had more money for him." After leaving, Matz told a partner "that he was shaken by his own actions because he had just made a payoff to the Vice President of the United States." The prosecutors said that Matz paid off Agnew again for help in landing a contract with the General Services Administration for an associate of Matz's.

The Government says that the three-way payoff scheme involving Agnew netted illegal funds from "seven different engineering firms in return for state engineering contracts" and from "one financial institution" for the bond deal. No estimate of the total sums is given, but the income on which Agnew admitted failing to pay taxes in 1967 alone amounted to $29,500. In addition, Green testified that between 1966 and 1972 he gave Agnew approximately $50,000—more than half while the payee was Vice President. Matz has put his "contributions" at some $37,500. Thus the Government believes that Agnew accepted at least $100,000 in bribes, and perhaps much more. The summary closes with an anecdote about one of the few humorous moments in an otherwise grim and tawdry accounting. Matz, it seems, was hounded by Republican fund raisers in 1972 for a legitimate contribution to the Nixon-Agnew re-election campaign. Say the prosecutors: "Matz complained about these solicitations to Mr. Agnew, who told Matz to say that he gave at the office."