

# Agnew Case Witness Aids New Probe

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Alan I. Green, a key government witness against former Vice President Spiro T. Agnew, is among the witnesses who have supplied federal prosecutors in Baltimore with allegations involving an insurance agency partly owned by two close associates of Gov. Marvin Mandel, according to informed sources.

The nature of Green's allegations involving the Tidewater Insurance Agency, which is owned in part by Mandel associates W. Dale Hess and Harry W. Rodgers III, could not be learned.

However, the prosecutors are known to be investigating allegations that businessmen who deal with the state have been pressured to place their insurance through the Tidewater agency.

In Baltimore yesterday, meanwhile, the federal grand jury that has conducted the investigation of political corruption that toppled Agnew ended its 18-month term by returning indictments against two Maryland engineering firm officials.

The two officials, Blair P. Overton Jr. and Eugene Y. Hsi, were charged with falsely testifying to the grand jury during its investigation of kickbacks from architects and engineers to Baltimore County Executive Dale Anderson. Anderson was convicted on the charges earlier this year and stepped down as county executive.

Overton was also indicted yesterday on a charge of attempting to bribe a key government witness against Anderson in order to influence the witness' grand jury testimony.

A third engineering firm employee, John Hocheder Jr., of George W. Stephens Jr. & As-

sociates, was accused in a criminal information of helping to falsify a corporate income tax return. A criminal information is a charge brought by prosecutor but never presented to a grand jury.

The indictments concluded the work of the 23 grand jurors who were empaneled in December, 1972, and who played a role in one of the most politically explosive investigations in Maryland history.

A new grand jury will be sworn in at the federal courthouse in Baltimore today and will continue the corruption investigation.

The next phase of the investigation is expected to concentrate, at least in its early stages, on Hess and Rodgers as well as J. Walter Jones, a wealthy Annapolis banker and close friend of Agnew; Anne Arundel County Executive Joseph W. Alton and Joseph Jacobs, a lawyer and former aide to Alton.

These five men were informed in April by George Beall, the U.S. attorney for Maryland, that they are under investigation as part of the corruption probe.

Hess, a former majority leader of the Maryland House of Delegates, played a major role as a political strategist and adviser in Mandel's suc-

See PROBE, C5, Col. 1

## PROBE, From C1

cessful 1970 gubernatorial campaign. Rodgers has been a key fund-raiser for Mandel. Both are close friends of the governor, who, sources have stressed, is not himself under investigation.

Green first began cooperating with federal prosecutors last year, during the early stages of the investigation that led to Agnew's resignation as vice president and his plea of no contest to a charge of federal income tax evasion.

As part of his arrangement with the prosecutors, Green agreed to plead guilty to a tax charge involving a possible three-year prison term. Although Green made that agreement almost a year ago, he has never been brought into court to make the guilty plea, possibly because he is needed as a witness in the new stages of the investigation.

Green is a good friend of Hess, who joined the Tidewater agency after retiring from the House of Delegates in 1968. According to informed sources, Green Associates, Inc., the Towson engineering firm that was headed by Green until recently, placed some of its insurance business with the Tidewater agency in recent years.

During the Agnew investigation, according to a Justice Department exposition of evidence against the former Vice President, Green admitted to federal prosecutors that between 1966 and 1972 he made about \$50,000 in cash payments to Agnew in return for receiving state engineering contracts.

Agnew left the Maryland governor's job to become vice president in early 1969, but Green said he continued to pay off Agnew for past state contracts received.

The Justice Department statement said Green, an engineer in Maryland for 21 years, "often made cash payments on behalf of his company in return for various state and local consulting contracts and in order to remain eligible for further contracts."

"These payments," the Justice Department statement said, "formed a pattern over the years and reflected his (Green's) understanding, based upon experience, of the system in which a firm such

as his had to participate in order to insure its survival and growth in the state of Maryland."

The indictments returned by the grand jury yesterday grew out of its early investigation of former Baltimore County Executive Anderson, who was convicted in March on 32 counts of extortion, tax evasion and conspiracy. Anderson was sentenced May 1 to five years in prison but has re-

mained free pending his appeal of the conviction.

A key government witness against Anderson was William E. Fornoff, Baltimore County's chief administrative officer under Anderson and an intermediary for payoffs from architects and engineers to Anderson.

Fornoff pleaded guilty to a tax charge. He was fined \$5,000 and placed on two years probation.

Overton, an employee of Baker-Wibberley Associates, Inc., of Hagerstown and a former Hagerstown police chief,

was charged by the grand jury yesterday with attempting to bribe Fornoff to prevent his "communicating information" about Overton and others to the prosecutors.

Overton was also charged with falsely denying that \$1,000 bribe attempt before the grand jury.

Hsi, an officer of HHBD Consulting Engineers in Towson, was charged with falsely telling the grand jury that he had never made cash payments to Fornoff.

Hocheder, of the Stephens

firm, was charged in the criminal information with helping to file a corporate tax return that overstated by \$12,480 the amount of salaries paid to his corporation's officers.

According to testimony by several witnesses in the Anderson trial, the overstatement is sometimes used to conceal money spent for illegal purposes such as kickbacks.

The Stephens firm was named in the Anderson indictment as among those engineering companies that paid kickbacks to Anderson.