

2 Charged In Payoffs To Agnew

11-9-74
By Douglas Watson
Washington Post Staff Writer

I. H. (Bud) Hammerman and Allen Green, prominent Baltimore area businessmen who told prosecutors last year they paid illegal kickbacks to former Vice President Spiro T. Agnew, were both charged yesterday with one tax violation count resulting from the Agnew probe.

U. S. Attorney George Beall of Maryland announced that Hammerman, a millionaire Baltimore real estate developer, mortgage broker and civic leader, and Green, president of a large Baltimore County engineering firm bearing his name, each were charged with a tax felony violation that could bring up to one year in jail and a \$5,000 fine.

Hammerman and Green were two of the four accusers of Agnew cited by the Justice Department in the 40-page statement of evidence released on Oct. 10, 1973, when Agnew resigned as Vice President and pleaded "no contest" to income tax evasion.

The 40-page statement said that both Hammerman and Green had agreed in writing to cooperate completely with the prosecutors and to plead guilty to a criminal tax violation that would expose them to up to three years in jail.

The charges filed at 3 p.m. yesterday, therefore, were not unexpected. Though Beall declined comment, there were strong indications that Hammerman and Green are expected to plead guilty when arraigned in Baltimore at 10 a.m. on Monday.

Neither man was indicted by a grand jury. Instead, criminal information charges were filed directly by Beall, a procedure that has the same practical effect but one that often is used

PROBE, From A1

when a guilty plea has been agreed upon.

Sidney S. Sachs, Hammerman's lawyer, declined to comment on the charges. Brendan V. Sullivan, Green's lawyer, could not be reached for comment.

Hammerman and Green specifically are accused of "interference with the administration of the internal revenue laws."

The charge against Hammerman, head of the S. I. Hammerman Organization real estate conglomerate, says, "He did on more than one occasion receive from various individuals and subsequently deliver to Spiro T. Agnew, then governor of the state of Maryland, and to Jerome B. Wolff, then chairman-director of the Maryland State Roads Commission, quantities of money and cash. . . ."

The charge continues that Hammerman knew "as he did so that dealing in cash would facilitate concealment of those transactions and the books and records of various persons and business entities, thereby making it more difficult for the Internal Revenue Service to conduct accurate and complete tax audits and other investigations."

The charge against Green uses the same language except that it does not refer to payments to Wolff.

Wolff not only acknowledged receiving kickback payments but was another one of the four men who told prosecutors they paid kickbacks to Agnew either while he was governor or Vice President.

The fourth Agnew accuser cited by the Justice Department was Lester Matz, who—like Wolff—headed a Bal-

timore County engineering firm that did work for the state of Maryland. Wolff and Matz have not been charged but are still under investigation.

According to the Justice Department's 40-page statement, Agnew, Hammerman and Wolff agreed in the spring of 1967, shortly before Agnew took office as Maryland governor, to get cash kickback payment from contractors in return for state work.

Agnew, the document says, told Hammerman, "it was customary for engineers to make substantial cash payments in return for engineering contracts with the state of Maryland."

The document says the idea was Agnew's and that he instructed Hammerman, an old and close friend, to discuss it with Wolff, who was appointed by Agnew to head the State Roads Commission that let the bulk of Maryland's road and bridge contracts.

Wolff, who later joined Agnew's vice presidential staff, agreed to the scheme, the document says, and suggested that he, Agnew and Hammerman, who was to collect the cash payments—should divide the money equally.

"Hammerman went back to Wolff and told him that Mr. Agnew insisted on 50 per cent of the money and that Hammerman and Wolff should equally divide the rest between themselves. Wolff agreed," the Justice Department document says.

In regard to Green, the Justice Department document says, the Baltimore County engineer "particularly recalls the first occasion on which he

paid money to Mr. Agnew in his (vice presidential) offices in the Executive Office Building. Green was quite impressed with Mr. Agnew's office and position and felt very uncomfortable about the transaction that was about to occur."

Nevertheless, the document continues, Green handed Agnew \$2,000 in cash, part of the \$8,000 a year he paid the Vice President in 1969 and 1970 and the \$6,000 he paid Agnew in 1971 and 1972.

"These payments formed a pattern over the years and reflected his understanding based on experience of the system in which a firm such as his had to participate in order to insure its survival and growth in Maryland," the Justice Department document says of Green.

Shortly after Agnew became governor, the Justice Department document says, Agnew complained about his personal financial situation and Green, inferring that he was being invited to pay kickbacks, told Agnew "that his company had experienced successful growth and would probably continue to benefit from public work under the Agnew administration. He, therefore, offered to make periodic cash payments to Gov. Agnew, who replied that he would appreciate such assistance very much."

Except for his "no contest" plea to one count of income tax evasion—the full legal equivalent of a guilty plea—Agnew has continued to maintain his complete innocence. In his statement at the time of his plea, Agnew said, "I deny the assertions of illegal acts on my part made by the government witnesses."

Hammerman, who lives with his wife and four children in the fashionable Upper Park Heights section of Baltimore has been described by friends and associates as "very aggressive and dynamic," "very congenial" and "very dynamic."

Succeeding his father in the mid-1960s as head of the family mortgage banking business, Hammerman followed in his father's footsteps not only in the business world but in being a Baltimore civic and philanthropic leader who has served on the boards of many schools, hospitals and charities.

Green, president of Green Associates Inc., is less well known but he was another member of Agnew's inner circle while he was governor and Vice President. Green has been a professional engineer in Maryland for more than 20 years.

The tax count filed yesterday against Hammerman and Green is the same one that was filed last year

against William E. Fornoff, former Baltimore County administrative officer who was the chief witness against former County Executive Dale Anderson.

Anderson, Agnew's successor as county executive, was convicted last year of tax evasion and extortion from engineers and architects, including Wolff and Matz. Fornoff pleaded guilty to the tax count and was fined \$5,000 and placed on probation, the probation since having ended.

In Richmond yesterday Anderson's lawyer argued in his appeal of a five-year sentence before the Fourth U.S. Circuit Court of Appeals that the federal prosecutors improperly granted immunity to government witnesses.

In a related development, J. Walter Jones, another close associate of Agnew's and a wealthy Annapolis banker, was named by a U.S. prosecutor in court last month as the collector of some illegal kickback payments to Agnew.

Jones, who has not been charged, then broke a long silence to say he would go to court "to clear my name." He added, "I intend to fight these people with everything I have, either in criminal or civil court. And the most important weapon I have is the honest-to-God truth."