

Times
AGNEW FRIEND
SAID TO AID INQUIRY

**Financier in Baltimore Is
Believed Ready to Talk in
Exchange for Immunity**

By **BEN A. FRANKLIN**

Special to The New York Times

BALTIMORE, Aug. 28—Another key witness in the Federal investigation of the possible role of a number of officials, including Vice President Agnew, in kickbacks from Maryland contractors was reported today to be cooperating with the United States Attorney's office here in return for preferential treatment.

Informed sources said that I. H. Hammerman 2d, one of Mr. Agnew's closest friends in this city, was negotiating with George Beall, the United States Attorney for Maryland. In return for limited immunity from prosecution, sources familiar with the investigation here said, Mr. Hammerman is prepared to provide the prosecutor with information.

It could not be learned whether his testimony, if it ever reached the grand jury, would concern directly the allegation of bribery, extortion and Federal tax fraud that Mr. Beall has told Mr. Agnew by letter were the focus of the investigation surrounding the Vice President. Mr. Hammerman also has extensive friendships and connections with others under investigation here.

Mr. Agnew and Mr. Hammerman were sixth-graders together here, and Mr. Hammerman has recently been a leader in

Continued on Page 22, Column 1

Continued From Page 1, Col. 3

booming Mr. Agnew for the Republican Presidential nomination in 1976.

Mr. Hammerman, a millionaire financier and land developer and a major solicitor for and contributor to various Agnew campaigns, has avoided newsmen since Aug. 8. On that date he issued a written statement through his office acknowledging his formal notification by the prosecutor that he, like Mr. Agnew, was under investigation for possible criminal violations. Mr. Hammerman said then that he was confident that allegations involving him would "prove to be unwarranted."

Mr. Hammerman could not be reached here today. At his investment company, the S. L. Hammerman Organization, Inc., he was reported to be out of town.

Lawyer Won't Comment

Mr. Hammerman's lawyer, Sidney S. Sachs of the Washington firm of Sachs, Greenebaum & Taylor, also declined to comment in any way on his reported contacts for his client with the United States Attorney. "I'm going to say 'No comment' to whatever you ask me," he said. "No comment is all I will say."

Mr. Beall's office here has responded to bitter complaints from Mr. Agnew that news leaks on the investigation have come from the prosecutor's staff by making even more firm the refusal to discuss any aspect of the investigation. Accordingly, confirmation of Mr. Hammerman's reported decision to testify freely could not be obtained there.

Several other lawyers involved in the investigation, however, said today that they were conducting their own clients' cases on the assumption—"on information and belief," in one lawyer's words—that Mr. Hammerman "is talking to the Federal prosecutors" and might have been granted limited immunity from prosecution in return.

The prosecutor's office here is known to have granted such immunity to at least one other key witness in the kickback investigation, Jerome B. Wolff. Mr. Wolff, who is now the president of the Baltimore consulting engineer company of Greiner Environmental Services, Inc., was formerly highway-contracting deputy under

Mr. Agnew during Mr. Agnew's terms as Baltimore County Executive in 1963-1967 and as Governor of Maryland in 1967-1969.

Before returning to private engineering practice here, Mr. Wolff also served on Mr. Agnew's Vice-Presidential staff as a special adviser on science and technology.

The United States Attorney is also believed to have obtained an immunity-for-testimony agreement from Lester Matz, an officer of Matz, Childs & Associates, another engineering consultant concern alleged to have made kickback payments to Government officials for the award of contracts.

And in a smaller process known as "plea bargaining," the prosecutor last June agreed to accept from William E. Fornoff, another key Government witness who was formerly the administrative officer of Baltimore County, a guilty plea to a relatively minor Federal tax charge in return for his cooperation as a prosecution witness.

Mr. Fornoff has acknowledged acting as a conduit for kickback payments from contractors to an unnamed Baltimore County official. Mr. Fornoff was a Baltimore County aide both to Mr. Agnew and to N. Dale Anderson, the current County Executive. Mr. Anderson was indicted by the Federal grand jury last Thursday on 39 counts of bribery, extortion and conspiracy.

The significance to Mr. Agnew of any information provided the prosecutors by either Mr. Wolff, or Mr. Hammerman now hangs on a decision by United States Attorney General Elliot L. Richardson.

Decision Not Yet Made

Mr. Richardson must decide—and must instruct Mr. Beall—whether or not any evidence concerning Mr. Agnew developed informally by the prosecutor and his assistants warrants a presentation under oath to the special Federal grand jury convened here for the last eight months to investigate "official corruption." Reportedly, the grand jury has heard no such evidence yet.

In Washington today, Justice Department sources said that the Attorney General had not yet made such a decision and had not yet instructed Mr. Beall. Furthermore, these officials said, when the decision is

made, Mr. Richardson will make no announcement or comment on it.

Meanwhile, the United States Attorney's office here is continuing to develop testimony on other aspects of the investigation here.

Yesterday, the Federal prosecutors met informally for more than an hour with William A. Badger. He is a former public works official under Mr. Agnew in suburban Baltimore County. Later, he was regional director here of the United States General Services Administration in Mr. Agnew's first year as Vice President.

Mr. Badger is now deputy secretary of the Maryland and Department of General Services. In all of those jobs, he helped to supervise the award of government contracts and leases.

Mr. Badger's lawyer, Russel H. Smouse, confirmed his visit with his client to the prosecutor's office but would not comment on what had been said.

Investigations Wided

Today, Maryland's investigations into official scandal broadened to and the front involving official charges against a Baltimore city judge accused of using his judicial office for personal profit.

The executive council of the city's bar association held that the Chief Judge of the city's highest court was in violation of at least one of the canons of judicial ethics.

Chief Judge Dulaney Foster of the city's Supreme bench had been under investigation under investigation for personally appearing to request a zoning change on property that he owned. He won the zoning change and sold the land at a profit of \$470,000, according to the bar association report. The association's find-

8-29-73
NYT

ings were forwarded to the Judicial Disabilities Commission, which will recommend action to Maryland's highest court, the State Court of Appeals. Supreme Bench judges are elected for a 15-year term in Baltimore but can be removed from office by the Court of Appeals.

The land deal took place in Westminster, Md., a small city 31 miles northwest of Baltimore.

Though such bar association report are made in secret, The Baltimore Sun learned of the action, obtained a copy of the findings and printed them in today's editions.

Members Are Upset

William I. Weston, executive director of the bar association, said today that its members were "very, very upset" over the publication of the report.

According to The Sun, Judge Foster picked up an option to buy 190 acres of land at \$2,650 an acre. The option cost him only \$1,000. It was purchased from John A. Leutkemeyer Jr., the Baltimore City Treasurer, and his two sisters. In December, 1971, the paper reported, Judge Foster sold most of the land to Monumental Properties, Inc., for \$3,800 an acre.

The judge kept 12 acres of the property, one of which was deeded to the City of Westminster as a donation. The judge took a \$30,000 deduction on his 1972 income tax on the single-acre donation, although it apparently had been purchased at \$2,650, according to the report. The 11 other acres that he still owns are believed to be worth about \$32,000 each today, a 10-fold increase over the purchase price.

Monumental, some of its corporate officers and their wives and its affiliated Monumental Life Insurance Com-



Associated Press

I. H. Hammerman 2d

pany were listed as contributors of more than \$1,

of more than \$10,000 to the Salute to Ted Agnew Dinner on May 19, 1972, according to official records of the event.

The Agnew benefit is an object of investigation in Anne Arundel County because of alleged attempts to pad the receipts to make it look like more of a success than it was. The committee was indicted last week by a state grand jury for violations of the Maryland election laws.

Records of the event indicate that Mr. and Mrs. Harvey M. Meyerhoff and Mr. and Mrs. Joseph Meyerhoff gave a total \$9,000 to the Agnew Salute. They are officers or directors of some of the Monumental companies.

In addition, Donald H. Wilson Jr., president of another allied company, the Monumental Corporation, contributed \$300 to the dinner, and \$750 came from Monumental Life.