

Federal Prober^s Told of
Massive Maryland Graft

When Agnew Ran County

New York Daily News

BALTIMORE — High officials in suburban Baltimore County have told federal investigators that it was virtually impossible to land a consultant's contract when Spiro Agnew was county executive in the mid-1960s without making a cash contribution to leading political figures here.

One source close to the federal investigation of a massive kickback scheme said that leaders of both parties in the booming county kept patronage lists, and any engineering or architectural consultant had to pay up to win a public contract.

The county executive — a post Agnew held from 1962 to 1966 — made the decision on who won the contract which was awarded without any competitive bidding.

Agnew has been asked by U.S. Attorney George Beall to submit all of his financial records, including income tax returns, for the last 6½ years. Agnew was succeeded as county executive by Dale W. Anderson, a Democrat, who is also being investigated by a federal grand jury.

In addition, Beall is seeking all state records dealing with Agnew — 130 boxes of them.

The county administrative officer, under both Agnew and Anderson, was William H. Fornoff, who pleaded guilty last June to acting as

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a conduit for kickback payments to an unnamed public official.

One source close to the investigation said it was difficult for an outsider to break into the consultant's business unless he was willing to make a contribution.

'On the List'

Occasionally, a young engineer would be allowed to

receive a contract, but according to one county official. "It was assumed he would make payments. His name was put on the list and he was contacted."

The two top public works officials, Albert Kaltenbach, director under both Agnew and Anderson, and his deputy, Thornton Mouring, testified before the grand jury Friday.

The grand jury, which meets again next week, is also investigating two of Agnew's chief fund-raisers, J. Walter Jones, an Annapolis banker, and I. H. (Bud) Hammerman, a developer who was appointed this year to a regional federal home loan board which oversees savings and loans institutions.

Agnew Fund

Jones established an organization called "The Executive Assembly" and members chipped in \$1000 each to help defray Agnew's personal political expenses in non-election years. Neither Jones nor Agnew has ever released figures on how much was contributed or how it was spent.

Among Agnew campaign contributors were Lester Matz and Jerome B. Wolff, both engineering consultants. Wolff, a former county and state official under Agnew, and Matz, enjoyed great prosperity, receiving major contracts while Agnew was county executive and later governor.

Full Immunity

Federal sources said that Wolff has been promised full immunity in return for his testimony about alleged kickbacks. He is vice president of Greiner Co., which landed the consulting contract for the \$120 million Chesapeake Bay Bridge.

Earlier Wolff had been offered limited immunity but his attorney, Arnold Weiner, said Wolff had been "compelled to testify" under the full immunity grant instead.

Federal sources also said

Matz, who has been a major political contributor to both parties although he is nominally a Democrat,

...the fund-raiser... several appearances before the grand jury.

The sources said that both Matz and Wolff will testify again next week in what will probably be the first detailed explanation of just how the kickback scheme on both the county and state level operated for more than a decade.

Contributions

Last Wednesday Agnew told reporters that allegations that he might have been involved in a kickbacks arrangement are coming from those who have found themselves in very deep trouble and are looking to extricate themselves and are flirting with the idea that they can obtain immunity or reduced charges, perhaps, by doing so.

Matz contributed \$2000 when Agnew ran for governor in 1966 and Wolff is listed for \$200, according to campaign records filed at Annapolis.

Last year, Matz gave \$1000 for a "Salute to Ted Agnew Night" which was investigated by the General Accounting Office because a list of phony contributors was drawn up to inflate the proceeds.