

Executive

In Md.

Indicted

Baltimore Co. Leader Faces 39 Charges

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BALTIMORE, Aug. 23—

Dale Anderson, the county executive of Baltimore County and leader of one of the nation's most potent suburban political organizations, was indicted here today by a special federal grand jury on 39 counts involving bribery and extortion.

The indictment, alleging that Anderson received \$46,420 in kickbacks from eight engineering, architectural and consulting firms doing business with the county, is the first returned by the grand jury since it was impaneled last December and charged with conducting a massive probe of alleged corruption in the Baltimore area.

Anderson was the sole person indicted today. His longtime county administrative officer, William E. Fornoff, was named as a co-conspirator, but not indicted. Fornoff, who resigned his post June 4 after pleading guilty to a minor tax charge, has apparently been cooperating with the government in return for leniency. He is accused in the indictment of accepting money as Anderson's "agent."

In a statement, the U.S. attorney for Maryland, George Beall, said that further indictments "can be expected." Sources added that the eventual number could be in the dozens and include local, state and federal political figures as well as private businessmen.

Legal sources speculated that, in terms of tactics, only one indictment was handed down today to exert pressure on others who might be indicted. Such pressure could result, say the legal sources, in offers of cooperation from those who fear they are targets of indictment.

Neither Beall or the three assistant U.S. attorneys assigned to the investigation would comment on when other indictments would be sought or how many persons would be involved. Beall, however, suggested the scope of the investigation in progress when he said earlier this week that the probe may continue for another six to eight months.

The Anderson indictment was sought by the same prosecution team that has been investigating alleged payments made to Vice President Spiro T. Agnew during his tenure as Maryland governor. Agnew was notified by the U.S. attorney's office on Aug. 1 that he was under investigation.

At least two of the engineering firms named in the massive, 72-page indictment of An-

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INDICT, From A1

derson are known to figure in the Agnew investigation as well, and sources said the prosecution wished to dispose of the Anderson and related indictments before turning their full attention to Agnew.

Agnew, who was succeeded by Anderson as county executive in 1966, issued a statement today in which he said he found the charges against Anderson "totally at variance with my impressions of him and everything I know about him."

Gov. Marvin Mandel, who like others in the state's political community had been expecting the indictment, said, "I intend to refrain from any comment until Mr. Anderson has had his day in court."

Beall, the U.S. attorney, said that Anderson would probably be arraigned sometime in September, but set no date.

Anderson himself had no comment on the indictment except to reaffirm his innocence. He spent the morning in his Towson office and left with his wife and daughter at 1 p.m.

"I have no comment at all," he told reporters. "I don't want to talk to anybody," he said. Asked if he still was maintaining his innocence, he said, "Absolutely," and departed. His lawyer, Norman Ramsey, also would not comment.

In the indictment, the 56-year-old Anderson is accused of both bribery and extortion, a legal tactic that allows the prosecution to argue both charges. It will be up to the judge, informed legal sources said, to decide whether Anderson allegedly extorted the money by threatening to withhold county contracts or whether he allegedly accepted bribes in exchange for county business.

Of the 39 counts in the indictment, 31 charge Anderson with extortion and with causing extortion by Fornoff. Con-

viction on each of the extortion counts carries a maximum penalty of 20 years imprisonment and a fine of \$10,000.

In seven counts of the indictment, Anderson is charged with interstate travel and the use of interstate commerce facilities to promote extortion and bribery. Conviction on each of these counts carries a maximum penalty of five years imprisonment and a fine of \$10,000.

Anderson is also charged with one count of conspiracy to obstruct interstate commerce by extortion, which carries a maximum penalty upon conviction of 20 years imprisonment and a fine of \$10,000.

The 39 counts in the indictment involve maximum penalties totaling 675 years in prison and \$270,000 in fines.

All of the contracts mentioned in the indictment are for public works projects in Baltimore County and were granted by the county government without bids. Architects, engineers and consultants consider themselves "professionals" and will not bid on a contract.

Except in one case, the indictments charge that Fornoff acted for Anderson in allegedly receiving the money. The sole exception to this alleged pattern, the indictment charges, occurred when "another public official" allegedly acted as Anderson's agent in receiving \$1,500 in October of 1970 from two engineering firms. The public official was not named.

The companies named in the indictment are Gaudreau, Inc.; George W. Stephens, Jr. and Assoc. Inc.; John B. Funk Assoc., Inc.; General Engineering Consultants, Inc.; Greiner Environmental Services, Inc.; James Petrica and Assoc.; Whiteford, Falk, Mask, Inc.; and Matz, Childs and Assoc., Inc.

According to the indictment, the largest payments were made by the officers and owners of Gaudrea, Inc. The indictment charges that the firm made eight payments between November, 1968, and March 13, 1972 to Fornoff and Anderson on work related to the construction of the \$20 million Baltimore County Courts Building. The largest single payment, the indictment says, was \$5,970 made on Sept. 23, 1969. The total amount received, the indictment says, was \$23,920.



WILLIAM FORNOFF
... cited as co-conspirator

The remaining counts in the indictment do not refer to the specific projects, but rather to unspecified public works projects such as the design of sewer, water and storm drains and highway projects.

The indictment alleges that in addition to Gaudreau's eight payments, the Stephens company made three payments totaling \$6,300; Funk and General Engineering together made one payment of \$1,500, Petrica made seven payments for a total of \$4,500; Whiteford, Falk and Mask made four payments for a total of \$2,850; Greiner made three payments totaling \$1,750 and Matz-Childs made five payments for a total of \$5,600.

Both the Greiner Environmental Systems Co., a subsidiary of the J. E. Greiner Co., and Matz-Childs are involved in the Agnew probe. The records of both firms have been subpoenaed and both Lester Matz of Matz-Childs and Jerome Wolff, the president of Greiner Environmental Systems, have told prosecutors sources said, that they personally turned over cash payments to Agnew when he was governor.

Both Matz and Wolff have been granted a limited form of immunity in the Agnew probe in exchange for their testimony.

Wolff was Baltimore County's assistant director of public works under Agnew, became the Agnew-appointed chairman of the old state roads commission when Agnew became Maryland governor in 1966 and later served two years on Agnew's vice presidential staff. He left Agnew's staff in 1970 to join the Greiner company. All the alleged payments to Fornoff and Anderson from Greiner occurred, sources said, after Wolff joined the firm.

Unlike the officers and executives of most of the other firms, Wolff is named in one count of the Anderson indictment. The count charges that Anderson "unlawfully" forced Wolff to travel from Washington to somewhere in Maryland for the purpose of obtaining a bribe for Anderson.

Both Matz and Fornoff have been under investigation, sources said, since the early stages of the probe. Fornoff was the county's number two man under both Agnew and Anderson and his testimony reportedly has led to the investigation of others, including Agnew.

In June, when he pleaded guilty to the minor tax charge, Fornoff told the grand jury that he had funneled cash kickbacks from several local contractors "to another official in Baltimore County." Fornoff refused to publicly name the official and Anderson maintained it was not he.

Later, Anderson revealed that he had used both Fornoff and Donald B. Sheeley, another top aide, to solicit political contributions from firms doing business with the county. Anderson called the two his "prime salesman" and maintained there was nothing either illegal or unethical about the practice.

Anderson for long has been a pivotal and influential figure in Maryland Democratic

politics. The most recent in a line of Baltimore County political bosses, he enjoyed enormous statewide power as the leader of the county's large delegation to the Maryland General Assembly and as the key fund raiser in Maryland's second most populous county.

The blunt-speaking Anderson was born in Southern Illinois in 1916 and moved to Maryland in 1937. He enlisted in old Army Air Corps as a private and was discharged as a captain in 1946 after four years of service. Anderson returned to the county where he entered the home-building field to become—like so many other Maryland political figures—a developer.

He entered politics as a precinct worker in the machine of Baltimore County's old political boss and county executive, Michael Birmingham. In 1958, Anderson won election to the County Council and by 1962, the year Agnew became county executive, Anderson was chairman of the Council and a formidable Democratic power.

In 1966, the year Agnew won election as Maryland governor, Anderson succeeded him as county executive. There he established the sort of political organization his successors had maintained—a basically old-style urban machine transplanted to the working class areas of Baltimore County.

The machine, like its constituents, was basically conservative. In 1966, for instance, it swung behind Democratic gubernatorial candidate George P. Mahoney whose slogan—Your Home is Your Castle, Protect It—appealed to the large county constituency which viewed open-housing legislation as anathema.

Agnew, who failed to carry his home county, won the gubernatorial contest that year with support from liberal voting blocks in the Washington suburbs, Baltimore City and affluent areas of Baltimore County.