

# Phone Call Led to

## 'You'll Find Interesting Things.'

By Richard M. Cohen  
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Sometime last fall, a disgruntled former employee of a Baltimore County engineering firm called the Internal Revenue Service and began his conversation by saying, "If you go to Baltimore County you'll find some interesting things."

The IRS went. And what it found and later turned over to the U.S. attorney's office in Baltimore resulted last month in an unprecedented letter to Vice President Spiro T. Agnew informing him that he was under investigation for "possible violations" of conspiracy, bribery, extortion and tax laws.

Persons familiar with the case said at the end of the week that the case had reached a watershed point, at which the prosecutors and the Justice Department had to decide whether they were going to present the evidence against Agnew to a federal grand jury in Baltimore.

U.S. Attorney George Beall had said previously that if the decision to go forward was made, the grand jury would probably begin to hear witnesses after Labor Day.

Sources close to the case pointed out that the prosecutors had apparently completed presenting the grand jury evidence on corruption in Baltimore County. The county's Democratic executive, Dale Anderson, was indicted Aug. 23 on 39 counts charging that he extorted bribes from contractors doing business with the county.

The consensus yesterday among sources familiar with the case was that the prosecutors were now ready to go to the grand jury on Agnew, but neither the Justice Department nor the U.S. attorney's office would comment on the question.

That decision, Attorney General Elliot L. Richardson said Aug. 19, would be made personally by him and it would entail, Richardson added, a finding of whether



**GEORGE BEALL**

... in charge of probe

a vice president of the United States can in fact be indicted before he is impeached.

At the moment, though, the grand jurors know nothing more about the Agnew case than what they have read in the newspapers and seen and heard on television and radio. Included in this is the Vice President's own assertions that he is innocent. He said so twice in nationally televised press conferences, a device that gave Agnew the unique ability to talk directly to the grand jurors who might wind up hearing his case.

But the press has also reported what sources say is an outline of the case against Agnew, and the stories put flesh on the skeletal letter Beall sent Agnew in which he mentioned extortion, bribery, conspiracy and violation of tax laws.

According to these sources, at least three Maryland contractors have told prosecutors that they routinely — and personally — turned over cash payments to Agnew when he was Maryland governor in return for choice, nonbid, state contracts.

The three, the sources said, are Lester Matz of Matz-Childs Assoc., Allen

Green of Allen Green Assoc. and Jerome Wolff, president of a subsidiary of the Greiner Corp., one of Maryland largest consulting engineering firms.

At least two of the three — Wolff and Matz — have received a limited form of immunity from prosecution, sources said, in exchange for the information they provided on Agnew.

In addition to these three, sources said, other contractors have testified that they funneled money to Agnew through intermediaries. The funds, these contractors have testified, went for state contracts while Agnew was governor and federal contracts when he was Vice President.

The alleged intermediaries, these sources have said, were identified to the prosecutors as J. Walter Jones and I. H. Hammerman, both longtime Agnew friends and fund-raisers. Both men are known to be under investigation and both have proclaimed their innocence.

All of those involved with the Agnew phase of the investigation are persons who for years have been associated with him. Matz, for instance, was an early Agnew backer and donor, as was Green. And Wolff worked under Agnew in Towson, the Baltimore County seat, in Annapolis, the capital of Maryland, and in Washington, where he was a vice presidential assistant until 1970.

In both Towson and Annapolis, Wolff occupied critical positions in which he was able to influence the choice of contractors for nonbid state jobs. His most critical position was chairman of the State Roads Commission under Agnew, a spot that enabled him to choose the architectural and engineering firms for state jobs.

Informed sources emphasize that Wolff's value to the

# Probe of Agnew

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**SPIRO T. AGNEW**  
... under investigation

prosecution rests in his first-hand knowledge of how contracts were awarded under Agnew and not because he is now a contractor himself. He is considered by informed sources to be the prosecution's most important witness.

Like others involved in the probe, Wolff has been granted a limited form of immunity called "use immunity." A relatively new legal tactic, the granting of use immunity means that a witness can not be prosecuted for incriminating information he himself provides.

However, he can be prosecuted on the basis of evidence gathered elsewhere. A witness who is given use immunity by the court must testify or he can be cited for contempt of court.

The federal prosecution team, sources said, have employed this tactic skillfully, using the immunity offer as a building block to slowly develop their case.

The tactic, briefly put, is to first build a case against a potential witness and then offer immunity in exchange for information. Starting first with employees of the engineering firms and then with the executives, the prosecution team, sources

said, was finally led to William Fornoff, Baltimore County's longtime administrative officer under Anderson.

On June 4, Fornoff pleaded guilty to a minor tax charge and announced that he had funneled cash kickbacks from Baltimore County contractors to "another official in Baltimore County." Fornoff did not name the official—the indictment charges it was Anderson—and did not say what soon became apparent, that he was cooperating with the prosecution.

Fornoff, sources said, led the U.S. attorney's office to Matz, Wolff and Green and in turn they began to hint that in turn for consideration—possibly immunity or a promise of leniency—they could provide information on Agnew.

On Aug. 1, two or three months short of a year after the disgruntled engineer had called the IRS, Beall sent his letter and six days later the nation found out that its Vice President was under criminal investigation.

While the Agnew phase of the investigation has dominated the headlines, Maryland politicians have not for a moment forgotten that all the principals thus far remain local boys. Already, one county executive is under indictment and another — Anner Arundel's Joseph Alton— is under investigation. Alton has retained Washington lawyer William Hundley to represent him.

Other Maryland political figures, sources said, are also under investigation. They say the list is long and the number of persons indicted may number in the dozens. Beall, the chief prosecutor, has said his investigation may yet run another eight months, indicating that much of it has been given a low priority until the Agnew phase of the probe is ended.

"They have the largest back burner in history," said one source familiar with the case.