

Baltimore Inquiry Focusing on Agnew's Bridge Contract to the Greiner Company

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Special to The New York Times

BALTIMORE, Sept. 3 — In their continuing investigation of Vice President Agnew, Federal prosecutors in Baltimore have focused much of their attention on the J. E. Greiner Company, a controversial consulting engineering concern long active in Maryland politics.

Seemingly of particular interest to the investigators has been an \$8-million contract awarded in 1967 by Mr. Agnew, then Governor of Maryland, to the Greiner company to design a bridge across Chesapeake Bay. The design has been attacked by contractors, who said it was inadequate.

Although United States Attorney George Beall, who is heading the investigation of the Vice President, over allegations that he got kickbacks from Maryland contractors, has not said publicly what he is looking for, he has taken the following actions:

Subpoenaed state records dealing with the 1967 contract.

Subpoenaed the Greiner company records.

Granted immunity to Jerome B. Wolff, a long-time Agnew aide who as chairman of the Maryland Roads Commission negotiated the contract with Greiner and later joined the company as a top official.

Center of Controversy

The bridge itself, which is expected to cost about \$135-million and was opened to traffic this July, 15 months late, has been a center of controversy in Maryland since 1964, when the Greiner company recommended that it be built. It is on United States Highway 50 near Annapolis.

Some of the opposition was prompted by the existence of a bridge already at the site, one that was opened to traffic in 1952. The Greiner company also designed it.

Opponents argued that any new bridge across the Chesapeake Bay should run to the Eastern Shore at a point near Easton, approximately 30 miles south of the eastern terminus of the original Bay Bridge, or cross the upper bay from the vicinity of Baltimore, 30 miles north of the existing bridge, to the northern portion of the Eastern Shore. (The Eastern Shore, comprising nine of Maryland's 23 counties, is that section of the state east of the bay.)

In its 1964 report, the Greiner company said the increasing traffic flow across the two-lane 1952 bridge, up to four million automobiles and trucks a year, made a parallel bridge

at the old site necessary to prevent mammoth traffic jams in the morning and afternoon rush hours and on weekends.

Efforts to get the new bridge under way began in 1965 during the administration of J. Millard Tawes, who preceded Mr. Agnew as Governor.

Barred by Assembly

But the state Assembly that year refused to authorize construction of the bridge, which was to be paid for by borrowed money.

In 1966, Mr. Tawes added several pet projects of leading legislators to the plan, and the Assembly then gave its approval. But opponents were able to force a statewide vote on the proposal and, in November, the electorate turned down the bridge.

When he became Governor in 1967, Mr. Agnew again sought Assembly approval, adding a new tunnel from Baltimore to the eastern shore of the bay, in a move that brought support from the city.

Meanwhile, design work on the proposed new bridge was already under way. When the Assembly approved the bridge in 1966, the Tawes administration had hired the Greiner company to begin the engineering.

New Contract Negotiated

After the Assembly approved the Agnew plan in 1967, Mr. Wolff, who had become chairman of the roads commission, canceled the Greiner contract issued under the Tawes administration and negotiated a new one with the company.

Mr. Wolff refused to allow copies of the new contract to be made public until after it had been signed and approved by the State Board of Public Works, which was composed of the Governor, the state Treasurer and the state Controller.

The Tawes contract would have paid Greiner \$5.5-million. Under the Agnew contract, which provided for costs plus 10 per cent, the company would get \$8.3-million. Mr. Wolff estimated that engineering costs would be 8.4 per cent of construction costs and called the deal with the Greiner company a "bargain."

But opposition to the building of the new bridge had not died away. In a speech in Congress, Representative Clarence D. Long, a Democrat from Maryland, said:

"The main motive behind this drive to build a bridge next to a bridge is not the economic or engineering merits of the project, but the millions of dollars to be made from fees and land speculation."

Bill Introduced

He introduced a bill in Congress to deny the necessary Federal permission to build a bridge across Chesapeake Bay. The bill was killed in committee.

Mr. Long then began assailing Mr. Agnew and the Greiner company, accusing the Gov-



United Press International

Jerome B. Wolff, who negotiated contract with Greiner and later joined the firm, has been given immunity in the inquiry.

ernor of wanting the bridge because he owned land close to its site, and questioning the competence and honesty of the Greiner company.

The Greiner company, Mr. Long said in a speech in Congress on Sept. 14, 1967, "for decades has been a dominating factor in the location and planning of roads and bridges in Maryland. The Greiner company scarcely stands to lose money from this contract to design the parallel Bay Bridge."

In that speech he pointed out that two officials of Greiner had been indicted in Pennsylvania on a charge of "conspiracy to cheat and defraud" the Pennsylvania Turnpike Commission of "millions of dollars."

Charges on Billing

The charges concerned the filling of abandoned mines over which the turnpike would pass. A company hired on Greiner's approval had billed the turnpike commission for \$7.5-million for the work, which an official of the Pennsylvania Department of Mines said should have cost no more than \$82,900.

Five persons were convicted in the Pennsylvania turnpike scandal, but the two Greiner officials were acquitted.

On Sept. 21, 1967, Representative Long attacked the Greiner company for fees it had charged for design at the Tampa International Airport in Florida.

"In 1965, a Florida grand jury ruled that fees charged by the J. E. Greiner Company for engineering and design for the

Tampa airport were 'unduly excessive,'" Mr. Long said.

The grand jury said that \$900,000 of the \$2.4-million fee had been an overcharge.

Job of Juror

A member of the grand jury that investigated Greiner's fees worked for an architectural firm that had lost the Tampa airport job to Greiner.

On Sept. 28, 1967, Representative Long took up on the floor of Congress the matter of the Greiner company's having approved the payment of public funds for "consultation" to members of the Delaware River Joint Toll Bridge Commission, which operated bridges between Pennsylvania and New Jersey.

The Greiner company was consulting engineer for the commission, and was accused of having allowed commission members and employes to draw \$181,000 in fees.

"Some of these requisitions for illegal payments to commission members were signed by E. J. Donnelly, the Greiner

company partner who signed the firm's 1964 recommendation of the parallel Bay Bridge in Maryland," Mr. Long said.

"In addition, the Greiner company authorized payments of additional public money for pleasure trips to Las Vegas and other cities, for an extravagant party attended by friends of the commission chairman at an Atlantic City hotel penthouse, for hiring of several Powers models to entertain guests at a reception, and for purchase of a set of china costing over \$4,500.

"Another feature of the investigation of the Delaware River commission was the payment of \$715 to Mrs. Nony E. Brandt for stenographic services never performed. Mrs. Brandt was actually a Philadelphia nightclub dancer billed as 'TNT from Gay Paree,'" Mr. Long said.

Five members of the commission were indicted, and about \$100,000 of the \$181,000 was repaid. The Greiner company was kept on as the commission's consulting engineer, but its retainer was cut from \$40,000 a year to \$12,000, Mr. Long said.

Two Letters

The Greiner company did not go undefended against the Long attacks.

George Fallon, then a Representative from Maryland, took the floor of Congress to defend the company and Mr. Donnelly, whom he described as a personal friend.

Mr. Fallon also entered into the Congressional Record two letters defending the Greiner company.

One, written by Mr. Donnelly, disputed Representative Long's suggestion that the Greiner company could use old plans for the new bridge. Using outdated plans, Mr. Donnelly said, would preclude taking advantage of advances in the development of new metals with high tensile strength.

The second letter, written by Mr. Wolff, accused Mr. Long of choosing the "forum of Congress to make these attacks on Greiner's past activities, and publishing them in the Congressional Record in an effort to assure immunity."

"The innuendo and character assassination contained in the statements made by Mr. Long behind his cloak of Congressional immunity are revolting, outrageous and without any real basis in fact," Mr. Wolff said.

On Oct. 18, 1967, Representative Long brought the name of Mr. Agnew into his one-man debate on the House floor.

"The Governor owns land on the approach to and near the proposed parallel span," said Mr. Long. "He promised to sell this land last year when his investment was discovered."

#### Interest in Tract

"It was only last week, however, after public prodding from me, that plans to sell this property were again announced. Eight business and political associates of the Governor, of course, still own the remainder of this land," Mr. Long said.

In 1966, while running for Governor, Mr. Agnew disclosed his one-ninth interest in the 107-acre tract alongside the highway two miles north of the Bay Bridge. He said that he had paid \$15,000 toward his share of the purchase price, \$10,000 of this from borrowed money, and that his share of the mortgage was \$19,200.

With him in the land deal were Harry A. Dundore, a former chairman of the Baltimore County Planning Board; J. Walter Jones, a real estate developer; Leonard O. Gerber and W. Ernest Issele, officials of McCormick & Co.; Robert C. Crampton, president of the Schilling Spice Company of San Francisco; Allen C. Jackson, an Annapolis newspaper official, and Lester Martz and John C. Childs, partners in the Matz, Childs & Associates engineering firm.

#### Any Profits to Charity

Mr. Matz has been granted immunity by Mr. Beall in a move to force him to testify in the investigation or to go to jail for contempt.

In October, 1967, Mr. Agnew's one-ninth share of the tract was put up for auction. He instructed that any profits were to go to the Children's

Rehabilitation Institute in Reisterstown, a charity in which Mr. Agnew's late mother was interested.

At the auction, however, the only bid—for \$34,200, the amount of money Mr. Agnew had invested—was made on behalf of the other eight partners, and thus there was no profit.

While the controversy over Greiner's reputation and Mr. Agnew's owning of land near the proposed new bridge was being fought publicly, the design of the bridge continued.

In October, 1968, the state began the process of borrowing \$220-million to pay for the bridge and other projects, and the roads commission called for bids on the bridge. The bids were to be opened in March, 1969.

By then, Mr. Agnew had become Vice President and had been succeeded as Governor of Maryland by Marvin Mandel.

#### Bids Found High

When the bids were opened, they were much higher than had been expected. Governor Mandel negotiated several of the bids downward.

An associate of the Governor's said that problems had arisen almost from the moment construction began. Some of these problems appeared to arise, he said, because of a late decision to build the bridge with three lanes instead of two.

Contractors complained to the Governor, he said, that much of the substructure appeared to be based on a two-lane design and that they were running into unanticipated difficulties. One contractor said piling locations were misplaced as much as nine feet. Greiner has declined to comment.

The Greiner company had estimated that the total cost of

the bridge—including right-of-way, engineering, and a 10 per cent override for contingencies—would be \$97-million, but the actual cost was much higher.

The final cost of the structure has not yet been determined. It is expected to be about \$40-million more than the estimate.

The contractor hired on a bid price of \$50.8-million to build the bridge foundation has filed a claim with the State of Maryland for \$18.8-million more,



Associated Press

**Representative Clarence D. Long, Democrat of Maryland, moved unsuccessfully in House to bar construction of new span.**

blaming the State for allegedly failing to inform bidders about known problems on the Bay Bridge.

The American Bridge division of the United States Steel Corporation, which bid \$38.3-million to build the superstructure, has filed a claim for \$11.7-million more because of costs it said it incurred during the year it had to wait while changes were made in the bridge foundation.

The Greiner company has not replied to the claims; it is waiting to help the state fight them.

In February of this year, amid growing criticism of the situation, the Maryland Board of Public Works hired a New York consulting engineering firm to study the original Greiner plans to help develop the state's defense.

A report of this study has been kept secret.