

# Witness Says Payoffs Went To Agnew

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BALTIMORE, Jan. 23 — Jerome B. Wolff, former executive of three Maryland engineering firms who served as chairman of the Maryland State Roads Commission when Spiro T. Agnew was governor, today gave his first detailed public testimony about how he said kickbacks from consulting engineers were funneled to Agnew.

Wolff said he knew that Agnew got half of about \$144,000 in kickbacks and the rest was divided between himself and I. H. (Bud) Hammerman, a Baltimore mortgage banker and Agnew campaign fundraiser. Wolff indicated that Agnew may have gotten more kickbacks from two consulting engineers whom Agnew dealt with directly.

Wolff, a key government witness against Baltimore County Executive Dale Anderson, also said in a day full of testimony that as an engineer he regularly paid illegal kickbacks to two public officials of two other Maryland jurisdictions that he was asked by prosecutors not to name. Wolff said he made payments to Anderson through an intermediary.

Defense attorney Norman Ramsey has told the jury of seven men and five women that the trial would reveal a "crazy quilt" pattern of illegal kickback payments not only in Baltimore County but in Anne Arundel County and Baltimore City as well.

Wolff also testified that he made a \$2,000 out-of-state payment in 1970 to a "man who occupied an office in government who had performed some work for me."

The payment was made through an engineering firm that Wolff was associated with that has its headquarters in Tampa, Fla., Wolff testified.

Ramsey asked Wolff if the payment was made to a "man named Kirk?" but prosecutors objected, saying that publicizing the man's name could be prejudicial and was not necessary and Wolff did not answer the question. There was no indication what "man named Kirk" Wolff was referring to.

In August, 1970, when Wolff said the payment was made, Claude Kirk was the governor of Florida. The J. E. Greiner and Co. was consulting engineer on road multi-million-dollar projects in Florida during Kirk's administration. The handling of those projects has been under investigation by the Dade County state attorney.

Claude Kirk could not be reached for comment yesterday but a close business and political associate denied Kirk was under investigation.

In addition to the kickbacks he collected in conspiracy with Agnew and Hammerman, Wolff testified, he collected another \$36,000 while head of the State Roads Commission for being "helpful" to Lester Matz, president of Matz, Childs and Associates, Inc.,

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and to Allen Green, head of Green Associates, Inc.

"On the one hand you were the man making the payoffs?" said Norman P. Ramsey, Anderson's lawyer.

"You mean in Baltimore County—yes," replied Wolff.

"On the other hand, you were the man receiving the payoff?" Ramsey continued.

"Yes," replied Wolff.

Wolff, 55, a small, baldish man completed 12½ hours of testimony today and is expected to be in the witness chair for at least an hour Thursday.

Wolff's testimony about Agnew supported a 40-page Justice Department statement of the evidence against Agnew that was released on Oct. 10 when Agnew resigned as Vice President and pleaded "no contest" to a tax evasion charge.

After entering the plea, Agnew had insisted that, "At no time have I enriched myself at the expense of the public trust."

The former Vice President said he did not fight the charges against him "because I believed it would be against the national interest and have a brutalizing effect on my family..."

Wolff said that while head of the State Roads Commission he never talked directly with Agnew about the kickbacks he said they were receiving, but always dealt through Hammerman who delivered "cash in envelopes... in a variety of places" for him.

Wolff said that the kickbacks for state contracts were from "nine engineering firms and one financial institution," none of whom was named today.

When Agnew was Vice President Wolff testified, he paid Agnew \$1,000 in cash in the summer of 1972 "for Ted's expenses during the campaign. I thought he needed money in connection with the campaign."

Wolff said that later in 1972, "I gave Mr. Agnew another \$500.

Anderson, 56, county executive of Baltimore County since 1966, is on trial charged with 43 counts of extortion, bribery, conspiracy and tax evasion. Most of today's testimony related to allegations involving other unnamed officials in Maryland and out of the state.

Wolff was directed by U.S. District Court Judge Joseph H. Young not to name the other officials or jurisdictions at the request of Assistant U.S. Attorney Barnet D. Skolnik, who said such information could be prejudicial to future prosecutions.

Wolff testified today that he paid \$5,250 between August, 1967, and June, 1970, to one unnamed official in Maryland. He said the payments were made on nine different occasions in a variety of locations,

including the official's home on Christmas Day, 1967.

Wolff further testified that he paid a total of \$5,000 to another official of a second unnamed jurisdiction on four different occasions from October, 1968, to August, 1972.

After Judge Young had directed that Wolff not name the two officials, Ramsey said, "The first gentleman I'll refer to as Mr. X and the next gentleman I'll refer to as Mr. Y."

Judge Young, whose last name begins with a "Y", interrupted, saying, "Do we have to refer to him as Mr. Y?" Instead, they were merely referred to as official No. 1 and official No. 2.

When he testified about the payment to the out-of-state official, Wolff said: "What I did with Greiner was a five-part thing. Other officials put up equal amounts for a political contribution, so we were told, for out-of-state usage by the company."

In relating what he conceded was a "very tangled" history of kickback payoffs and collections, Wolff said Matz and Green paid him \$36,000 while he was head of the State Roads Commission in addition to the \$36,000 he collected in payoffs in conspiracy with Agnew and Hammerman. Referring to the Matz and Green kickbacks, Wolff said, "that portion was strictly during the period I was with the state. They day I left all those payments stopped."

Wolff said the Matz and Green payoffs were not directly for receiving state contracts—"They were doing their own thing, if you will, in getting their own contracts. They were dealing directly with the governor."

Wolff said the \$36,000 total from Matz and Green included \$30,000 in cash and the rest was in the form of material gifts and free trips.

Wolff said that he used three bank safe deposit boxes, one in Washington and two in Baltimore County, to keep the cash that he was receiving in



kickbacks or was paying in kickbacks to Anderson through William E. Fornoff, Baltimore County's former administrative officer.

"I think the most I ever had at one time amounted to \$35,000 in cash," Wolff said. He added that "most of the action" involving the cash was at his Pikesville, Md., safe deposit box.

Wolff testified that he paid a total of \$23,850 in kickbacks to various officials between 1967 and 1972 on behalf of his three former engineering firms, Greiner Environmental Systems Inc., James Petrica and Associates Inc. and Whiteford, Falk and Mask Inc.

He said that he was reimbursed for about \$16,000 by Petrica and Robert Whiteford, principal officers of two of the firms, when he made the payments over the years.

Wolff had testified Tuesday that he was reimbursed \$10,000 by E. J. Donnelly and George Jenkins, two J. E. Greiner Co. officials, for kickbacks he previously made.

Today Wolff said that he later collected \$5,400 more from J. E. Greiner officials to reimburse him for kickbacks, but never collected \$1,900 more he said he felt was owed him.

Explaining why he had not sought to recover the additional \$1,900 from J. E. Greiner Co., Wolff said, "It got to be a very distasteful subject after those subpoenas were served," referring to the federal investigation of Baltimore County that began a year ago.

Under rigorous cross-examination by Ramsey, Wolff conceded that he had a vague memory of conversations with Anderson regarding kickback payments. Wolff had testified on those conversations Tuesday.

Wolff also conceded that his initial payoff to Fornoff for Anderson, which he has testified was in February, 1967, he had earlier thought occurred

in April of that year. On another point, he acknowledged that a notation in his diary reading "1967" actually referred to 1968.

Wolff also testified under cross-examination that he and Fornoff, another key government witness against Anderson, had in 1972 formed a corporation named "Mepco" with the intention of going into business together. The business plan was abandoned after the two men were subpoenaed.

Despite these concessions, Wolff stuck to his allegation that he made payments totaling \$10,850 in kickbacks on 14 occasions to Fornoff for Anderson.

Often Wolff was quite talkative, responding more than Judge Young said was necessary. He continued to smile and laugh occasionally.

But the courtroom duel between him and Ramsey, the outgoing president of the State Bar Association and one of the state's leading defense lawyers, was intense throughout. At one point when Wolff suggested Ramsey review certain evidence, Ramsey shot back, "I will do that in due course."

"I expect you will," Wolff replied with a smile.

Wolff testified that he received the draft of an agreement to cooperate with the government on June 7, 1972, but "wrestled" with the decision until signing the agreement on July 11.

Wolff has been given limited immunity against prosecution assuring him that the testimony he gives cannot be used against him. But, Wolff testified, prosecutors have not told him that he will escape prosecution entirely.