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MEMORANDUM

Downey Rice
June 28, 1973

File: HARRY E. KAPLEAU
cc: Rocco P. Urella

Peter Binzen of the PHILADELPHIA BULLETIN advised in confidence on June 20, 1973 that in continuing his investigation into what was believed to be a very questionable appointment made by Governor Shapp when Harry E. Kapleau was named Chairman of Milk Marketing Board, he had run into a source of information who developed an interesting theory.

The unidentified source said that many years ago when Urella was a Corporal in Media, Pennsylvania, the State Police Media Headquarters rented space in a building owned by Wawa Dairies. Wawa has been headed by John Finley, who also serves as President of the Eagle Downs Racing Association (which operates a meeting at Liberty Bell). Urella has maintained a friendship with Finley from the old days when Urella was a corporal.

When the Kapleau appointment was made, a package fight in the milk industry had developed between the "gallon people" who advocated cheap milk with no price support or controls as best illustrated by Cumberland Farms, believed to be the chief sponsor of Harry Kapleau, and the pegged price people in which Finley of Wawa has been prominent.

The Finley group felt that they had been "gulled" by the gallon people who got to Shapp through campaign contributions collected by Kapleau and James A. McHale. Accordingly, Finley sought some way to get damaging information on Kapleau as he knew that Kapleau had racket associations and asked his friend Urella to do some checking for him. It was concluded that following up in an effort to assist Finley, Urella had the tap on Kapleau's phone installed.

Additionally, the Finley group sought to infiltrate Kapleau and McHale by arranging to place a chauffeur on the Department of Agriculture payroll who would drive McHale and Kapleau and report to the Finley group as to questionable contacts. Kapleau was known to visit in New Jersey with questionable people.

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Binzen arranged an interview with Finley and Kapleau. The Kapleau interview being scheduled for June 20.

According to Binzen, Finley carries a sidearm and displayed it to Binzen. Finley said that he knew McHale was a money collector for Shapp as McHale tried to collect for Shapp from Finley. Finley also knew that Cumberland Farms gave money to Shapp. Finley would not talk about the possibility that Urella had put the tap on Kapleau for him.

Binzen also interviewed Maurice J. Kluger who talked to him at some length. Finley had allegedly been told by Kluger that he, Kluger, broke up with Kapleau because he was afraid of going to jail for the schemes devised by Kapleau in procuring milk, ostensibly shipping it out of state, bringing it back and, in some way, profiting by mis-labelling as to grades, etc.

Finley knew Kapleau and Kluger because he had some business with them - - apparently accounting.

In the Kluger interview, he denied the break-up with Kapleau for reasons set forth above, but did talk about the relationship with the Maggios and Angelo Bruno. Kluger said that when Bruno got in trouble with the Federal Government over taxes, he went over Bruno's books for him and criticized the preparation of the tax returns. He told Bruno that he could have saved some money for him.

Following up the above, a further interview was had with Walter Junkins, who had been the Chief Security Officer at the Agriculture Building during the period of the Kapleau tap.

Junkins holds Kapleau in extremely low regard and had some conversations about Kapleau with a law enforcement source in the Philadelphia area at a social event. He could not immediately recall the identity of the source. The source did make some background material available to Junkins that turned out to be an article in the PHILADELPHIA MAGAZINE by Greg Walter in September 1969 and December 1971.

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Discussing the activities of Peter Maggio, Angelo Bruno, Milk Maid Dairies, Maggio Cheese, etc., Junkins destroyed the theory that a chauffeur might have been planted by advising that throughout the entire period the chauffeur for McHale was a colored man who had been at the Department of Agriculture for a long time and certainly could not be considered a plant for anyone. It was Junkins' recollection that Kapleau invariably drove his own car and parked it practically in the lobby of the building as he used the closest space.

Of interest to the Kapleau investigation and possibly related to the allegation that Kapleau's appointment was arranged by campaign contributions stemming from Cumberland Farms is the attached article from the PHILADELPHIA BULLETIN of December 4, 1970, marked Exhibit A, listing Harry E. Kapleau as a \$5,000 contributor to Shapp's campaign.