

Jan. 14, 1972

Harry E. KAPLEAU 61 yrs., born in July, 1910.

Address, date of appointment, January 4, 1972.- 304 A, Somerset House, Cherry Hill, N.J. Phone-1-609-667-5332-(In service)

Has New Jersey Vehicle Operator's license for same address, giving date of birth, as July 1910. No owner's registration listed with the New Jersey Bureau of Motor Vehicles, under same name.

Is not listed, at the above address, with the Camden County Board of Voters registration.

In 1965 during the Milk Commission Hearing stated that he was President of Capitol Dairy Products Inc., a Delaware Corporation with an address at Henderson, Maryland. His son Paul V. KAPLEAU was Vice-President and his brother Albert D. KAPLEAU was Secretary. Listed as other stockholders were his wife and another son, Kenneth KAPLEAU.

Son, Paul V. is a C.P.A. and son, Kenneth is a school teacher, at the present time. (Information from James KLUGER)

Other addresses associated with Mr. Kapleau;  
In 1965 stated that he lived at 7901 Rolling Green Rd., Cheltenham, Montgomery Co., Pa. He was listed in the County as a registered voter, up to and including 1970. Not presently registered. Present occupant, K.E. KIM, M.D. (Phone Essex 9-2201)  
Prior to 1961, 1530 Chestnut St. in Phila., as President of Central Dairy Products, Inc. (partnership with James KLUGER)

Prior to 1971, 1110 Spruce St., Phila. Listed in phone directory with Son, Kenneth Neil KAPLEAU. Phone listed WA 5-8069, not in service at this time, and subject unknown at this address.

Listed in current Phila. phone directory at 2018 Walnut St., Phila. Phone LO 3-9699. This number also listed to ALBAR MUSIC REPRODUCTIONS, and when called, asking for Mr. KAPLEAU, was referred to MILK CONTROL COMMISSION, Harrisburg, Pa.

Employment and business affiliations:  
FEDERAL MILK MARKETING ORDER ADMINISTRATION, according to James KLUGER, Mr. KAPLEAU resigned voluntarily, not under "any cloud", about 20 years ago. (About 1951 or 1952)

From the 1951-1952 era, he operated solely, the Capitol Milk Products Inc., based in Maryland. Also was in partnership with James KLUGER in running the Carrol Milk Products Co. based in Maryland and the Central Milk Products Co. of Pennsylvania. According to Mr. KLUGER Mr. KAPLEAU took care of the Milk Brokerage business and Mr. KLUGER handled the Accounting business. Partnership dissolved in 1961.

Also, according to Mr. KLUGER, Mr. KAPLEAU has for the past several years, operated as a milk broker for the New Jersey based CUMBERLAND FARMS DAIRY, which is operated by James and George HASEOTIS (Phoenetic).

HUBER-- On Jan.6,1972 Mr.E.LIN HUBER, former Chairman of the Board of the Penna. Milk Control Commission stated that during the SCRANTON Administration, the Pittsburgh Press, from information obtained from the Internal Revenue Service, reported alleged "kickbacks" from milk producers to Harry KAPLEAU. He further stated that the allegations were investigated by Deputy Attorney Judson RUCH for Attorney General Allesandroni and there was no prosecution from the results of the investigation.

Mr.HUBER refered to the 1965 Hearings by the Milk Control Commission regarding "Investigation of Allegations of Widespread Rebates and other Illegal practices in the Milk Industry." In particular he mentioned the number of times that Mr.KAPLEAU took the "5th AMEND<sup>3</sup>ment". This would be the times that Mr. KAPLEAU refused to answer questions concerning from whom he purchased milk and to whom he sold it.

He also stated that Mr.KAPLEAU lives out of State in Cherry Hill, N.J. and was a Broker for CUMBERLAND FARMS and the MAGGIO CO. of Philadelphia. CUMBERLAND FARMS being a New Jersey "cut price" distributor and MAGGIO CO. being operated by a nephew of ANGELO BRUNO an alleged chief in the MAFIA or COSA NOSTRA.

Mr.HUBER stated that more information could be obtained from Dr. James HONAN, President of the INTERSTATE MILK PRODUCERS CO-OPERATIVE, 401 N.Broad St.,Phila.

ONAN DR. JAMES HONAN, President of the INTERSTATE MILK PRODUCERS CO-OPERATIVE, Room 1012, 401 N.Broad St.,Phila. (Wa2-3040).

Dr.HONAN stated that the policy of his Co-Operative was to take the middle of the road, not to endorse nor to condemn anyone. He did say,that in his personal opinion, Mr.KAPLEAU was not the person to be Chairman of the Milk Control Commission.

Dr.HONAN related that Mr.KLUGER, a former partner of Mr.KAPLEAU had called his office that morning and while talking to Dr.HONAN'S assistant, raved and ranted about the appointment of Mr.KAPLEAU to the Chairmanship of the Commission. Dr.HONAN said the Mr.KLUGER could be a good source of information but probably would not be so irate for the record.

DR. HONAN also reflected that the DAIRYMENS LEAGUE and the LEHIGH VALLEY CO-OPERATIVE would be pro Administration,as the present Commission had granted them lower prices for sales to ACME and other markets.

LUGER Mr. James KLUGER, CERTIFIED PUBLIC ACCOUNTANT, owner of CENTRAL ENTERPRISES INC., Bailey-Banks and Biddle Building, 1530 Chestnut St., Phila., Phone, LO 4-1661.

Mr. KLUGER stated that he is a C.P.A. and his business is and has been over the years,Accounting and consulting services within the Milk industry. That up to 1961 or 1962 he was in partnership with Harry E. KAPLEAU. They were equal partners in the CARROLL MILK PRODUCTS CO. of Maryland and CENTRAL DAIRY PRODUCTS CO. of Phila., and Mr.KAPLEAU handled the brokerage end of the Company and he handled the Accounting and Consulting part of the business.Mr. KAPLEAU also solely operated the CAPITOL MILK PRODUCTS CO. based in Maryland.

Mr. KLUGER said that the partnership was dissolved in 1961 or 1962 in an amicable manner. The reason for severing the partnership was that Mr. KLUGER did not like deals that Mr. KAPLEAU was making that bordered on criminal acts. He further stated that he did not approve the manner in which Mr. KAPLEAU handled Company money. Specifically in making numerous deposits in several out of State (Penna.) banks.

Mr. KLUGER stated that Mr. KAPLEAU'S method of dealing was to buy surplus milk from producers at a price slightly above the manufacturer's rate and then to sell it for liquid milk at slightly under the regulation price and pocketing the difference.

Mr. KUGLER said that some time ago, the MAGGIO CO. of Phila. asked him, because he did their accounting, to evaluate and advise them concerning a "scheme" that was offered to them by Mr. KAPLEAU. This he did and advised MAGGIO that they could make money but the "scheme" was strictly illegal. He stated that MAGGIO refused to do business with Mr. KAPLEAU as a result of his advice.

Mr. KUGLER further stated that during the past years, Mr. KAPLEAU has been doing brokerage work for the CUMBERLAND FARMS CO. based in New Jersey and operated by James and George HASEOTIS who originally came from New England. He further feels that CUMBERLAND FARMS may be behind his appointment to the Penna. Milk Board. His reasoning is that CUMBERLAND is already set up and organized as a cut price Company and would "make a bundle" if retail prices were not controlled.

Mr. KUGLER also said that Mr. KAPLEAU had a money making "scheme" which was accepted by MARTIN CENTURY FARMS and when the "scheme" backfired, it cost MARTIN CENTURY \$80,000.00

Mr. KUGLER wants his remarks kept confidential and would not testify to them. He also said that, in his opinion, MR. KAPLEAU is not qualified to be a member of the MILK BOARD and does not have the ability to do the job.

HOUSE OF REPRESENTATIVES  
COMMITTEE TO INVESTIGATE THE ADMINISTRATION OF JUSTICE  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania

MEMORANDUM

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By Dale S. Thompson

Date May 14, 1974

FILE: Kapleau

PETER J. MAGGIO

May 8, 1974

1:45 P.M. Talked to Salvatore (Serafino) Maggio. Said Peter J. Maggio in Madison, Wisconsin and did not know when he would return. Thought it might be late evening, May 8, 1974, or sometime on May 9.

Requested to have Peter call Malley at office.

May 9, 1974

11:15 A.M. Peter Maggio called office for Malley.

Malley returned call. Made appointment for 4:30 P.M. at Maurice Kluger's office.

4:30 P.M. Thompson appeared at Kluger's office. Told meeting to be held at different office.

5:15 P.M. Introduced to I. Raymond Kremer at his office and young Peter V. Maggio. Attorney said he didn't intend to have senior Maggio questioned until he knew what interview was all about.

Peter J. Maggio - 2  
May 14, 1974

May 13, 1974

- 1:45 P.M.      Telephoned Kremer to see if Maggio would appear before Committee on May 14, 1974.
- 4:10 P.M.      Telephoned Kremer. He advised he would accept a proper subpoena for his client - needs more than an invitation.
- 4:20 P.M.      Telephoned Kremer. Asked him if he could come at 10:30 A.M. on May 14. He has a case Tuesday and can't make it, but can make it May 15 if O.K. with Maggio.
- 4:50 P.M.      Telephoned Kremer. He said he and Maggio would be at Room 128, Capitol, 10:30 A.M., May 15. Will accept a subpoena for his client when he appears.