

March 14 and 15 Hearing

- A. Bell and Howell Catalog
- B. Special Equipment Inventory of Bureau of Criminal Investigation - PSP
- C. Special Equipment Sign-Out Information
- D. Memorandum of Faiola re use of countermeasure survey kit and transmitter receiver recording kit - 1972
- E. Regan Report (3-6-73) re Urella-Faiola use of countermeasure survey kit and telephone analyzer that could be used for wiretapping.
- F. Rice Memorandum (11-14-73) re equipment charged out to Carcaci.
- G. Rice Memorandum (11-14-73) re equipment used by Urella-Faiola-Guyette that could have been used for wiretapping.
- H. Gerber Letter (11-28-73) that Carcaci was at the George Washington Motor Lodge October 15 and 17, 1972.
- I. Handwritten Statement by Luchansky and Kardash re King of Prussia incident.
- J. Photograph of transmitting microphone found in Kapleau's phone.
- K. Rickard and Sherr Testimony concerning material (attache case) removed from King of Prussia motel.
- L. Trooper Anthony S. DiGuglielmo File
- M. Captain Michael Honkus File

N. *BARGER SECTION*
1 *Letter Committee*
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O *GERAS SPONSORED BILL TO HAVE CIVILIAN CHIEF*
OO *WHO IS GERAS*

P *BLEIM*
R *CREKAS*
S *VIGLIONE*

PENNSYLVANIA STATE POLICE
DEPARTMENTAL HEADQUARTERS
HARRISBURG

(B)

February 27, 1973

FROM: Lieutenant James J. Regan
TO: Captain Russell E. Anderson
SUBJECT: Investigative Equipment Belonging to Bureau of
Criminal Investigation and Those Articles Assigned
to the Field

1. Enclosed please find a complete listing of
investigative equipment assigned to the Bureau of Criminal
Investigation and Area and Troop Commands.

JAMES J. REGAN
Lieutenant, PSP

(D)

FROM: Lt. Herman J. Faiola.
TO: Major Robert A. Rice.
SUBJECT: Statement in regards to two pieces of equipment - A Transmitter Receiver Recording Kit and A Counter Measure Survey Kit.

The following statement is composed on the mere recollection of the undersigned in regards to the subject of this letter.

Back in 1972, sometimes just prior to July. There was tentative verbal plans that certain men (7 to 10) were going to be detailed to Florida for the Presidential nomination and the detail was supposed to protect the Governor of Penna.. It was also suggested on or about this time by the Commissioner, that this writer request from Lt. Regan the "Counter Measure Survey Kit", and the detail become familiar with same. The Kit was obtained from Lt. Regan by this writer and a few of men, Luchansky, McCann and possibly other examined and experimented with the kit in the conference room of the Commissioner's complex. A few days later or so, for some reason I learned that Lt. Regan was assigned to head the detail. At this time if I remember right the "Kit" went back into Lt. Regan's custody.

Back in 1972, I believe it was in the later part of September and possibly in the early part of October. Col. Urella told this writer to get the Counter Measure Survey Kit and proceed to the Agriculture Office Building located on N. Cameron St., Harrisburg, Pa., and contact a Mr. Kaplau. I believe I again obtained the "kit" from Lt. Regan and proceeded to the scene. Col. Urella advised that Kaplau reported that his office was "bugged". On arrival I met Mr. Kaplau, who stated that the bell telephone men had found and removed from his phone a bugging device. Writer searched the office with negative results.

In 1972 some time in the later part of Sept. or early October. Col. Urella in company with Major Yaglenski told this writer to obtain from a Lt. Regan a "Transmitter Receiver Recording Kit", and make it part of the Special Investigation Units equipment. Lt. Regan obliged and gave this writer a demonstration as to its operation. The "kit" was stored in the file cabinet in the Units office. The kit was also was at times in the custody of Lt. Luchansky and Cpl. Guyette. The unit was returned to Lt. Regan on his request for some kind of repair or modification by either Lt. Luchansky or Cpl. Guyette some time in the later part of Nov. 1972.

The Counter Measure Survey Kit to the best of this writer's recollection was setting between the file cabinet and this writer's desk for some time and it is believed that it was placed there by Lt. Luchansky and how it was returned Regan is unknown.

Herman J. Faiola
Lt. Herman J. Faiola.

246

(6)

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

MEMORANDUM

By Downey Rice

Date November 14, 1973

FILE: CAPTAIN JAMES J. REGAN
Lt. Herman J. Faiola
Rocco P. Urella

Reference is made to the report of Captain Regan of March 6, 1973, entitled "Allegations of Wiretapping at George Washington Motor Lodge, King of Prussia, Pennsylvania," attached to Malley's memorandum of October 15, 1973.

router - measure
It is noted that during the week of November 6, 1972, several weeks prior to the King of Prussia blow-off, Faiola obtained a new telephone analyzer that had just been delivered to Regan. Faiola insisted that Colonel URELLA had instructed him to obtain the equipment that was admittedly capable of intercepting and listening to telephone calls because its function was to go on the line or check the line to see if others were using the line.

The equipment had not been listed for property control. Notwithstanding the fact that the inspector had not checked the equipment in line with the policy nor had they approved the equipment for acceptance so that the bills could be paid and property stickers affixed thereto, Faiola insisted that Urella "wanted one right away." Although Regan was reluctant to give the machine out with no control number, the machine was taken.

Some time later, it was learned from the Cockeysville supplier that there was a slightly defective part for the transmitter receiver recording kits and that part could be replaced. It was in the nature of a recall situation with an automobile. Thereupon an effort was made to locate the kit taken by Faiola, and it was found that GUYETTE had it.

Again it is emphasized that this kit had the capability of bugging a room at the George Washington Motor Lodge and transmitting to a VIP case type recorder; or with slight implementation, had the capability of recording from a transmitting wiretap; or without modification, from a straight trespass type of wiretap. This equipment was apparently in possession of Faiola/Guyette during the pertinent period of the King of Prussia matter. Inasmuch as the equipment was not logged out, Regan was not sure when it was returned.

Captain James J. Regan - 2
November 14, 1973

The conversation was pursued to the degree that in addition to the transmitter receiver recording kit used by Faiola, the countermeasure equipment referred to in the March 6, 1973 memorandum about Faiola from Regan could have been used for wiretapping and was available to Faiola himself. Regan was forced to the conclusion that either or both of these two kits "could have been" used during the King of Prussia incident.

Exhibit "B" 0-3
(H)

LAW OFFICES
GERBER, DAVENPORT & WILENZIK
18 WEST AIRY STREET
NORRISTOWN, PA. 19401
—
SUITE 200

MORRIS GERBER
HORACE A. DAVENPORT
A. RICHARD GERBER
MARVIN L. WILENZIK
DAVID S. KATZ
RICHARD S. WATT
MARC D. JONAS

(215) 279-6700

November 28, 1973

Mr. Downey Rice
Counsel
House of Representatives
Committee to Investigate the
Administration of Justice
Post Office Box 3900
Harrisburg, Pennsylvania 17105

My dear Mr. Rice:

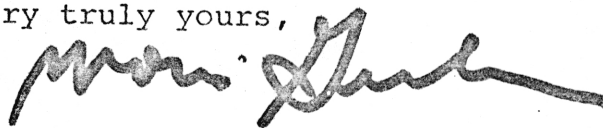
With reference to the appearance of Lieutenant Angelo Carcaci of November 14, 1973, we represented that more detailed information would be made available to you by letter with reference to the visits of Lieutenant Angelo Carcaci of Sunday, October 15, 1972, and Tuesday, October 17, 1972 at the George Washington Motor Lodge at Kind of Prussia, Pennsylvania.

Please be advised that in connection with a drug violation investigation, originating out of Upper Darby, Pennsylvania, that Lieutenant Angelo Carcaci was at the George Washington Motor Lodge on Sunday, October 15, 1972, and Tuesday, October 17, 1972 for the purpose of meeting an informer. On neither of these dates did the informer show. Present with Lieutenant Angelo Carcaci at the King of Prussia Motor Lodge on the afore-said two (2) dates were Federal Narcotic Agents plus a number of Pennsylvania State Policemen. Of the State Policemen present Mr. Carcaci recollects Corporal Bason; Trooper Blunt and Trooper Weniger. There were additional Troopers present.

As a result of later contacts, unrelated to any visits to the George Washington Motor Lodge, arrests did result in connection with this investigation. At Lancaster, Pennsylvania on October 27, 1972, there was arrested by the Pennsylvania State Police Mr. Kenneth S. Millrood and Mr. James R. Kirchner.

I trust this gives you the desired information.

Very truly yours,



Morris Gerber

K

Thaddeus Rickards (p 113-134)
Assistant Manager
George Washington Motor Inn

Rickards said Monahan's statements were substantially accurate and he had no dispute with them.

Replying to questioning by Mr. Rice, Rickards said that on Monday afternoon, he and Jay Sherr went to Room 175, saying they wanted to check out a noisy fan motor. The occupant pulled the drapes back but said there wasn't any problem, which Rickards considered a little unusual because if you think there is trouble anyone will usually let you in to check. Rickards identified a photograph of Lt. Stephen J. Luchansky as being the man who appeared at the window of Room 175.

Rickards identified a photograph of Cpl. Curtis Guyette as being the man in the hearing room. He said that about noon on Tuesday he was told there had been some phone calls into the room and he was checking the phone booths to see if they had come from there, but no one was in the phone booth. He saw two men in a room adjacent to 76. One had a red wig on and they were carrying clothes and a small green suitcase. He could not see the Buick in front of Room 39. Rickards walked over to Room 154 where Monahan and Dave Greth were with Trooper Al Piscotti (Pistone). When the two men saw Rickards they slowed down from a walk, but Rickards observed no one following them or chasing them.

Rickards said he had given Greth a key for Room 39 to watch the Buick parked in front of the room. Rickards said he heard about the cameras the officers were going to use, but did not know if they took any photographs.

In response to a question by Chairman Hepford, Rickards said they were at 175 an hour or two after the men left, when someone yelled for Matt Hunt, saying the men were getting into the Buick. These troopers were in civilian clothes and Rickards did not notice any firearms.

Answering a question by Rep. Geesey, Rickards said he saw the two men after they passed 39 carrying clothes and a small green suitcase.

Rickards identified photographs of Luchansky as being the man in 175 for Rep. LaMarca, and Guyette as the man in the red wig. He said arrangements were made through Dave Greth for the troopers in civilian clothes, and that he knew they were state troopers because Greth had told him and also because of a list of who was coming to the inn.

(K)

John Benjamin Sherr (p 134-186)
Engineer, George Washington Inn

believed there was enough wire to service microphones had they been placed about 214, 213, and 208 to run back to Room 175.

The troopers did not know who was doing the tapping, and decided to put everything back the way it was and leave.

The next day after lunch, about 12, Sherr was at the front office and saw three people leaving Room 175, who went to a Buick parked in front of 38 or 39. The first man was carrying a brown paper bag, the second an attache case, and the third man clothing. He did not remember seeing them put anything in the trunk. Sherr knew the State Police were observing the room and that they were in Room 39, and he heard they had a camera but he didn't see it. Sherr thought that when the men left the room the State Police would apprehend them, but that didn't happen and no one chased them.

In identifying photographs, Sherr said he had seen Cpt. Guyette "somewhere on the property". He identified Lt. Luchansky as being the man in the crawl space.

Sherr identified Lt. Herman Faiola as having come to the motel a week or two later and wanted to talk to Sherr. Sherr called the Crime Commission to see if they had sent anyone and they said no. He talked to "Alex" but didn't remember his last name. Sherr said he, Dave Greth and Ray Rickards didn't know "the good guys from the bad guys", and at this point "we didn't care either way" so they talked to them. The policemen showed State Police credentials and tried to assure them they weren't implicated in any way, and that they had a camera with them.

Sherr thought he had seen Cpl. Metro Kardash in the motel area, but not with Falola. As Sherr had been interviewed by the Crime Commission he thought the interview by Faiola was a duplication. They took pictures, but the motel would not open the crawl space to them; they did not have a search warrant.

Sherr said three men had interviewed him after his call to the Crime Commission, and on looking through the photographs again thought perhaps Lt. James McCann had been with Falola.



Honkus

COMMONWEALTH OF PENNSYLVANIA
HEADQUARTERS
PENNSYLVANIA STATE POLICE
HARRISBURG

January 15, 1974

Hon. H. Joseph Hepford
Chairman of the House Committee to
Investigate the Administration of Justice
P. O. Box 3900
Harrisburg, Pennsylvania

Dear Representative Hepford:

In further response to your subpoena of January 10, 1974, we are forwarding the following additional documents:

1. Supplemental Accident Report C1-16133-A. ✓
2. Employer's Report of Occupational Injury or Disease dated December 17, 1973. ✓
3. Letters dated January 7 and 8 from Dr. F. J. Trunzo to Captain Michael Honkus. ✓
4. Copy of Disciplinary Action Report dated 18 December 73, with memorandum dated 24 December 73 from Deputy Commissioner to Commanding Officer, Troop "C". ✓
5. Copy of Disciplinary Action Report dated 7 January 74. ✓
6. Copy of General Investigation Report C1-17167 dated 7 January 74, submitted by Captain Michael Honkus, with attachments. ✓

We have been advised that Lieutenant Angelo Carcaci remains a patient at the Adrian Hospital, Punxsutawney.

Sincerely,

R. O. Wellendorf
R. O. Wellendorf
Lieutenant Colonel
Deputy Commissioner

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

MEMORANDUM

By Downey Rice

Date February 20, 1974

FILE: LEAD FILE
Angelo Carcaci
James D. Barger

BARGER-CARCACI HEARING

Review the reports submitted by the State Police stemming from the December 14, 1973 letter and select from those several good witnesses from the State Police or elsewhere who will testify to Carcaci's wrongdoings. These should include:

- ✓ 1. The subordinate officer compelled to sign a false report relating to an alleged recovery of a stolen rental truck. *D. Buglielmo*
- ✓ 2. The officer (if not the same as above) who can testify that Carcaci himself wrote a false report. *DI Buglielmo*
- ✓ 3. The officer to whom Carcaci lied about the Punxsutawney accident indicating that he was unaccompanied at the time. *Harbus*

In this connection, consider bringing in also the gas station man. *Carvilli*

- ✓ 4. The strongest witness could possibly be the school boy who can place Carcaci on the job at the guard service operation during the period when he was supposed to be on sick leave (possibly Linda's boyfriend). *Blum*
5. Consider bringing in Edward Diehn or in some other way bring out Angelo Carcaci's undoubted participation in the criminal bankruptcy. *Carvilli*
6. Captain Regan as to charging out the electronic equipment just prior to King of Prussia.
7. Henry Young or an alternate as to the conversation in the Bucks County motel when Carcaci said he tapped phones with Barger. *Young said him say it and can help.*

not covered

See Carcaci file. Too much to copy.

LEAD FILE - 2
February 20, 1974

8. The investigating officers to whom Carcaci refused to furnish information. *Lilly check*
9. Consider bringing in Joseph Carcaci who has declined to be interrogated. Joseph Carcaci is a State employee. *not covered*

In connection with the above, pull the back-up material that is relevant to each of the above witnesses and isolate by copying necessary portions. Prepare an individual witness folder on each of the above.

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

JRM

MEMORANDUM

By Downey Rice

Date January 30, 1974

FILE: ANGELO CARCACI
Pennsylvania State Police

Quick review of attached report of Carcaci investigation forwarded by Barger
letter of January 24, 1974

SGT. THOMAS REPORT of January 11, 1974

Interesting items noted:

Page 1

Reflects Angelo Carcaci brought in brother Joe and Dien to plead the
innocence of brother Joe. Brother apparently has alias name of Joseph
Lombardi.

Page 2

Angelo lodged complaint against Agent Nolan.

Page 2

Joe got \$20,000 in July, August and September 1971.

Page 2

Threat by Joe against Nugent.

Page 2

Dein was wanted at time of visit with Angelo Carcaci. What for, why, and
what was this all about?

SGT. THOMAS REPORT of January 15, 1974

Page 3

Joe and Angelo covered up on the truck and a witness was threatened.

SGT. THOMAS REPORT of January 16, 1974

Page 1

Investigation discloses no Private Detective Licenses for Carcaci.

SGT. THOMAS REPORT of January 17, 1974

Page 3

Dein jail interview talks about "deep sixing" a warrant. What is this all about?

Dein interview indicates that there is a big story that can be extracted, possibly immunity. Suggest either Bureau or our people find out what this is about.

CAPTAIN SHUCK REPORT of January 21, 1974

Page 1

Name Milak rings a bell with Sgt. Rebar in regard to phone calls at barracks for Angelo.

Page 2

Phony reports as to truck recovery directed by Carcaci of DiGuglielmo and phony report prepared by Carcaci himself. *re: 1/17 rather than 1/21.*

SGT. THOMAS REPORT of January 22, 1974

In this report there is a reference to a doctor who contributed some money for Moran. Who is the doctor? Is it DiGillio?



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA STATE POLICE
HARRISBURG

COLONEL JAMES D. BARGER
COMMISSIONER

24 January 1974

J.D.B.

Copy - PSP File
other cc: Carcaci File
PSP Cases File
Origina) - Mr. Hepford.

Honorable H. Joseph Hepford
Chairman, Committee to Investigate
the Administration of Justice
Post Office Box 3900
Harrisburg, Pennsylvania 17120

Dear Sir:

In response to your correspondence dated 3 January 1974, requesting further investigation into the alleged activities of Lieutenant Angelo J. Carcaci, the attached copies of investigation reports are being forwarded for your perusal.

As we receive additional investigative reports, copies will be forwarded to you.

Very truly yours,

James D. Barger
James D. Barger
Commissioner



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA STATE POLICE
HARRISBURG

COLONEL JAMES D. BARGER
COMMISSIONER

10 December 1973

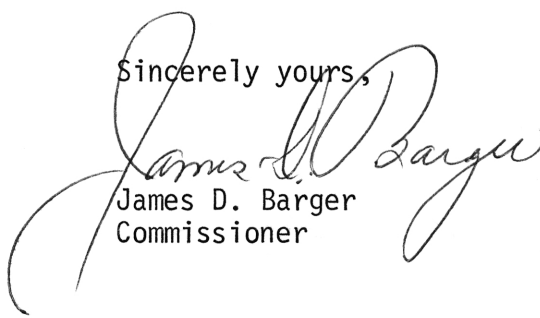
Mr. H. Joseph Hepford, Chairman
House of Representatives
Committee to Investigate the
Administration of Justice
Room 128 - Main Capitol
Harrisburg, Pennsylvania 17120

Dear Mr. Hepford:

The Committee's questioning of Lieutenant Angelo Carcaci, 5 December 1973, resulted in numerous newspaper articles which in effect alluded to the false allegation that I was involved in unlawful activities with Lieutenant Carcaci during the years 1965 or 1966.

In view of the unfavorable publicity and alluded false allegations, I respectfully request that I be granted the privilege of appearing before your Committee to answer your questions concerning my associations and activities with Lieutenant Carcaci. I would like to appear before this Committee as soon as possible.

Sincerely yours,


James D. Barger
Commissioner

JDB/mlw

cc: Mr. Downey Rice, Counsel

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HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

December 11, 1973

Colonel James D. Barger
Commissioner
Pennsylvania State Police
617 Transportation and Safety Building
Harrisburg, Pennsylvania

My dear Colonel Barger:

I am in receipt of your letter of December 10, 1973 in which you requested the privilege of appearing before the Committee to Investigate the Administration of Justice to answer questions concerning your association and activities with Lt. Angelo Carcaci.

Please be advised that the Committee does have commitments made for hearings that are scheduled in the immediate future; however, I will be very happy to arrange for your testimony at the earliest convenience and you will be appropriately advised of the date when your testimony will be taken.

Sincerely,

H. JOSEPH HEPFORD
Chairman

HJH:rf

COPY

CHAIRMAN

H. Joseph Hepford

MEMBERS

Eugene R. Geesey
Russell J. LaMarca
Joseph Rhodes, Jr.
David M. Turner



OFFICE:

Room 629 - Main Capitol
Phone: AC 717-787-7170

MAILING ADDRESS:

Post Office Box 3900
Harrisburg, Pennsylvania 17105

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

December 14, 1973

Colonel James D. Barger
Commissioner
Pennsylvania State Police
617 Transportation and Safety Building
Harrisburg, Pennsylvania

My dear Colonel Barger:

This is supplemental to my letter of December 11, 1973 concerning your request to appear before this Committee to testify about your association and activities with Lieutenant Angelo Carcaci. We will try to arrange a hearing at the earliest convenience.

Meanwhile, there are several matters you may wish to process before your appearance so that this Committee, as well as the U. S. Attorney in Philadelphia and the Attorney General of Pennsylvania, to whom copies of this letter are being directed, may have the benefit of your inquiries.

Although this Committee is not structured to conduct primary investigations of state or federal laws, occasionally information is made available to us that may have relevance to criminal investigations or prosecutions being conducted by state or federal agencies involved in the administration of justice. In these situations, it is our policy to make that information known to those agencies that would seem to have interest and jurisdiction. Some information that seems to come within this category accordingly is being made known to you so that you might take appropriate action. Please understand that we have not confirmed the information; but as it stems from usually reliable sources, we are making you aware without delay.

During 1972 and into the spring of 1973, there was a federal criminal bankruptcy and mail fraud investigation and prosecution. Part of the investigation resulted in prosecution by the Office of the U. S. Attorney for the Eastern District of Pennsylvania of a number of individuals stemming from the bankruptcy of the House of Interior Decor, U. S. Attorney's file No. 72-4062.

Colonel James D. Barger
December 14, 1973
Page 2

We understand that creditors were alleged to have been defrauded of approximately \$1/2 million and that over \$300,000 of furniture, furnishings and other merchandise has never been accounted for.

In Federal Court in the spring of 1973, four individuals pleaded guilty and were sentenced. These were Edward Dein, who allegedly used more than sixty aliases and front names during the scheme to defraud, Lenore Friedrich, John Nugent and James Cortelucci. Joseph Carcaci, a brother of Lieutenant Carcaci and himself a probation officer for the Probation Office of the State of Pennsylvania, along with another defendant, was indicted, tried, but acquitted.

This Committee's inquiry has developed that, on February 14, 1973, Catherine Carcaci, wife of Lieutenant Carcaci, opened a bank account in the Frankford Trust Company as "C. S. Carcaci, Interior Decorating." This followed the bankruptcy of the House of Interior Decor. For this account, the home address of Lieutenant Carcaci, 44 Christopher Drive, Holland, Pennsylvania 18966, was used. Into this account we have traced deposits of checks paying for services contracted by Lieutenant Carcaci to render guard and security protection to The Fox Companies, as per copy of contract attached.

We also observed that Lieutenant Carcaci and his wife maintain a joint account at the Frankford Trust Company. We noted that \$5,000 was checked out of this account, payable to Attorney James Moran of Philadelphia, who apparently represented defendant Joseph Carcaci in connection with the bankruptcy fraud charges.

Additionally, it appears that in excess of \$20,000 in cash has been deposited into the two above mentioned accounts controlled by the Carcacis since the first of January 1973. This is in addition to the Commonwealth of Pennsylvania payroll checks tendered to Lieutenant Carcaci as a State Policeman.

You may also have an incident report relating to an occurrence rumored to have taken place during 1972. It has been said that Joseph Carcaci was moving a truck loaded with merchandise on the Pennsylvania Turnpike when it broke down near the Norristown exit. The Pennsylvania State Police allegedly caused the rental truck that was obstructing traffic to be removed from the Turnpike and towed through the facilities of the Industrial Towing Service. Lieutenant Angelo Carcaci is said to have interceded and had the truck and its load released.

Colonel James D. Barger
December 14, 1973
Page 3

Furthermore, Lieutenant Carcaci allegedly interested himself in this matter to the extent that he reportedly called at the Philadelphia headquarters of the Federal Bureau of Investigation, identifying himself as a Pennsylvania State Policeman, to discuss the fraud case.

As you know, we recently attempted to elicit testimony from Lieutenant Angelo Carcaci of your command. For the most part, Lieutenant Carcaci declined to answer questions deemed material to the Committee's inquiry. We were disappointed that your employee would not cooperate in a matter of mutual interest to law enforcement.

Undoubtedly you will want to conduct an inquiry and interrogation of Lieutenant Carcaci to determine the facts that may contribute to the location of the several hundred thousand dollars worth of merchandise that has disappeared and about other alleged activities herein reported.

You and General Packel may also wish to give serious consideration to the question of whether or not the Private Detective Act of 1953 (22 P.S. 12) has been violated by Lieutenant Carcaci. As you know, that Act requires the licensing of persons or entities engaged in the business of "watch, guard, or patrol agency." Failure to comply subjects violators to criminal penalties.

We would hope that you will want to keep this Committee apprised of the results of your investigations and interrogation, as well as the U. S. Attorney in Philadelphia, in regard to matters relating to the bankruptcy and mail fraud. Because of the mention of activities attributed to two employees of the Commonwealth, we would expect that you will want to keep Attorney General Israel Packel posted.

It goes without saying that you may expect full cooperation from this Committee and its staff. For obvious reasons, I am not making public this communication to you at this time.

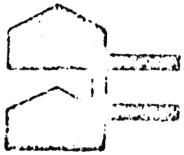
Sincerely,

H. JOSEPH HEPFORD
Chairman

HJH:rf
enclosure 1
CC: U. S. Attorney - Philadelphia
Attorney General Israel Packel

S-R

Et H. I.
D. M. M.



THE FOX COMPANIES

Executive Offices: Beaver Hill • Jenkintown, Pa. 19046 • 885-1360

AGREEMENT

[Handwritten initials]

This agreement made the 13th day of September 1971, by and between C/C Company and The Fox Companies, located at the Beaver Hill Apartments, 100 West Avenue, Jenkintown, Pennsylvania. The Fox Companies agree to pay C/C Company the sum of \$347.00 per week for security coverage at the West Village Apartments, 3901 Conshohocken Avenue, Philadelphia, Pennsylvania, and the Watergate Apartments, 3600 Conshohocken Avenue, Philadelphia, Pennsylvania. Security coverage at West Village, Watergate, and any other specified locations owned and/or managed by The Fox Companies now, or in the future, will be covered by this contract. It is also agreed and understood that this contract may be cancelled by either party upon seven (7) days written notification.

C/C Company

Authorized Signature

[Handwritten signature]

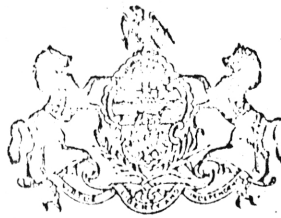
(7)

CHAIRMAN

H. Joseph Hepford

MEMBERS

Eugene R. Geesey
Russell J. LaMarca
Joseph Rhodes, Jr.
David M. Turner



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Post Office Box 3900
Harrisburg, Pennsylvania 17105

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

December 13, 1973

The Honorable Milton J. Shapp
Governor
Commonwealth of Pennsylvania
225 Capitol
Harrisburg, Pennsylvania

My dear Governor Shapp:

During recent weeks, the Committee to Investigate the Administration of Justice has been receiving testimony in both executive and public hearings touching upon alleged wiretapping in which the name of your appointee, Acting Commissioner James D. Barger of the Pennsylvania State Police, has been mentioned.

A key figure in the matter appears to be Lieutenant Angelo Carcaci of the Pennsylvania State Police who declined to answer relevant questions put to him by the Committee and is currently the subject of contempt proceedings.

By way of background, it might be mentioned that there have been unsupported allegations that Lieutenant Carcaci tapped lines of a group of black leaders in 1966 with Commissioner Barger. When doing the job, the telephone pole broke. Testimony elicited by a prior House Committee in 1966 developed that Lieutenant Carcaci had been trained in and was something of an expert in electronic eavesdropping.

Relative to the King of Prussia matter with which you are familiar, Lieutenant Carcaci had charged out to his custody State Police owned instruments capable of electronic eavesdropping. By his own admission to the Committee, Lieutenant Carcaci was twice on the premises of the George Washington Motor Lodge while these instruments were assigned to him and prior to the discovery of the illicit wiretapping there on November 27, 1972.

This Committee, within the framework of its inquiry, sought on a number of occasions during 1973 to interview Lieutenant Carcaci, only to find that he was listed as being on sick leave by the Pennsylvania State Police. The period covered from approximately the first of the year until the end of July.

The Honorable Milton J. Shapp

December 13, 1973

Page 2

The Committee was also told that Lieutenant Carcaci "had been a prisoner in his home since sometime in January for the purpose of evading this House Committee." From time to time, the Committee's staff received information that Lieutenant Carcaci, although drawing full pay as a Pennsylvania State Policeman while reportedly on sick leave, was in fact supplementing that pay by performing services as a security guard at an apartment complex near Philadelphia.

In this connection, Colonel Barger was asked when testifying before this Committee on June 7, 1973 about the status of Lieutenant Carcaci. He replied that he was having some medical examination made of Lieutenant Carcaci. On the subject of the possibility of "employment outside of department," prohibited by Section 1.39 of the Code of Conduct of the Pennsylvania State Police, Colonel Barger answered: "Since that time we have received information that there was a possibility he was moonlighting to the effect of running a security at some apartment complex near Philadelphia. We have made an investigation of that. We have found no information to substantiate that at this point."

On November 28, 1973, Stephen Milak, Vice President of The Fox Companies, operators of several apartment buildings in the Philadelphia area, testified under oath in executive meeting of this Committee that, on behalf of The Fox Companies, he had negotiated a contract for guard and protective services to be furnished by Lieutenant Carcaci in 1971. A copy of the contract is attached. The Fox Companies witness testified that Lieutenant Carcaci and his wife, as his designee, had been paid in excess of \$49,000. The Committee's inquiry developed that of that amount some \$44,000 was converted to cash by the Carcacis.

Witness Milak further testified that during the past summer an investigator, representing and identifying himself as a member of the Pennsylvania State Police, called upon him and inquired as to the services being rendered by Lieutenant Carcaci. Mr. Milak said that he made a full disclosure of the details of the protective services being performed by Lieutenant Carcaci and his associates. From other sources, we have been told that other members of the Pennsylvania State Police have been working with Lieutenant Carcaci.

Thereupon, a letter was directed to Commissioner Barger on December 4, 1973 asking for identities of "your officers assigned to and participating in the investigation referred to above, along with copies of any written reports submitted."

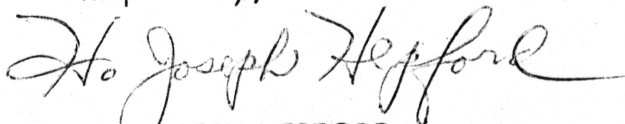
The Honorable Milton J. Shapp
December 13, 1973
Page 3

Under the date of December 5, 1973, Colonel Barger replied, as per copy of his letter attached, identifying the State Police investigator as Sergeant John W. Shambach and "his investigation failed to reveal any information and/or evidence to indicate that Lieutenant Carcaci was involved in employment outside the Department." Colonel Barger's reply was silent as to whether or not there were any written reports.

Reviewing the above, it has occurred to me that there is a direct conflict of testimony that may have serious implications as to the policies and conduct of your appointee, Colonel Barger.

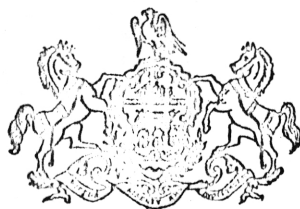
We have no way of knowing whether or not the information purportedly delivered to Sergeant Shambach was made known to Colonel Barger. We have no way of knowing whether or not Colonel Barger may be misleading this Committee in any respect. It should be stated, however, that the "moonlighting" activities of Lieutenant Carcaci were found by this Committee's staff to be relatively easy to uncover. When that is taken into consideration, along with the fact that Lieutenant Carcaci was reported as having been linked with Colonel Barger in wiretapping activities, one must wonder if we are faced with an attempt at a cover-up. You may wish to undertake an appropriate inquiry to determine whether or not there is a possibility that Colonel Barger is shielding Lieutenant Carcaci and hence involved in malfeasance in office.

Respectfully,



H. JOSEPH HEPFORD
Chairman

HJH:rf
enclosures 3
CC: Attorney General Israel Packel



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

December 4, 1973

Colonel James D. Barger
Commissioner
Pennsylvania State Police
617 Transportation and Safety Building
Harrisburg, Pennsylvania

My dear Colonel Barger:

Thank you for your very prompt reply of November 23, 1973 to our correspondence of November 27, 1973 in connection with information relating to the State Police Civic Association.

As you may know, the Committee has a continuing interest in some of the activities of Lt. Angelo Carcaci. You will recall that when you appeared before the Committee on June 7, 1973, you addressed yourself to the subject of Lt. Carcaci's status and stated: "Since that time we have received information that there was a possibility he was moonlighting to the effect of running a security at some apartment complex near Philadelphia. We have made an investigation of that. We have found no information to substantiate that at this point."

Would you be kind enough to review Lt. Carcaci's personnel file and advise whether or not Lt. Carcaci has ever applied for or received the necessary approval from the Commissioner to engage in employment outside of department?"

Additionally, would you furnish the Committee with the identities of your officers assigned to and participating in the investigation referred to above, along with copies of any written reports submitted?

Sincerely,

DOWNEY RICE
Counsel

DR:rf



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA STATE POLICE
HARRISBURG

COLONEL JAMES D. BARGER
COMMISSIONER

5 December 1973

Mr. Downey Rice, Counsel
Committee to Investigate the
Administration of Justice
Post Office Box 3900
Harrisburg, Pennsylvania 17105

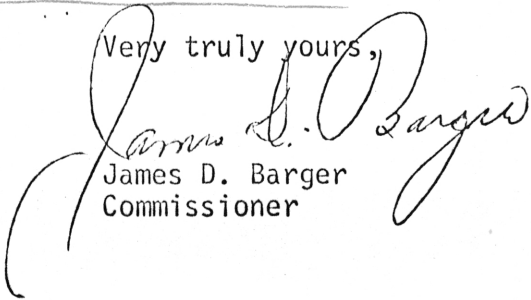
Dear Mr. Rice:

In regards to your letter of 4 December 1973, kindly be advised that an examination of Lieutenant Angelo Carcaci's personnel file revealed that he neither requested nor received approval from the Commissioner to engage in outside employment. Lieutenant Carcaci has never requested permission from me, since I became the Commissioner, to engage in employment outside the Department. I would have no knowledge of any agreement he may or may not have had with the former Commissioner.

To the best of my recollection, in May 1973, Henry Young, Patriot news reporter, complained to me and to the Deputy Commissioner that Lieutenant Carcaci was engaged in outside employment; i.e., security of apartment buildings while he was on sick leave from this Department. In view of this information, the Deputy Commissioner was ordered to assign an investigator to conduct an investigation into this allegation.

Sergeant John W. Shambach, Bureau of Criminal Investigation, Departmental Headquarters, was assigned to conduct the investigation. His investigation failed to reveal any information and/or evidence to indicate that Lieutenant Carcaci was involved in employment outside the Department.

Very truly yours,


James D. Barger
Commissioner



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA STATE POLICE
HARRISBURG

COLONEL JAMES D. BARGER
COMMISSIONER

31 October 1973

Mr. Downey Rice, Counsel
House of Representatives
Committee to Investigate the
Administration of Justice
Post Office Box 3900
Harrisburg, Pennsylvania 17105

Dear Mr. Rice:

In reply to the questions enumerated in your letter of October 25, 1973, please be advised of the following:

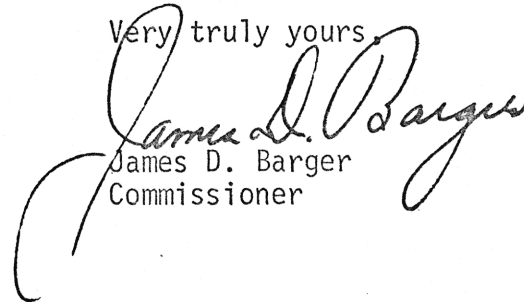
1. There are nineteen (19) State Policemen assigned for duty with the Pennsylvania Crime Commission, Department of Justice.
2. The salaries of the State Policemen are assessed to the Pennsylvania State Police budget. The expenses are assessed to the Pennsylvania Crime Commission, Department of Justice budget.
3. The amount of the salaries of the State Policemen assigned to the Pennsylvania Crime Commission, Department of Justice, during the calendar year of 1972 was one hundred sixty-five thousand dollars (\$165,000.00). Since the expense of the assigned State Policemen was defrayed by the Pennsylvania Crime Commission, Department of Justice, we are not in a position to give you a breakdown as to the amount.
4. I am opposed to officers of the Pennsylvania State Police working for, or with, any other organization per se. However, I have no objections to members of the Pennsylvania State Police conducting investigations for, or working with, other law enforcement agencies and/or the Pennsylvania Crime Commission, providing such Pennsylvania State Police officers remain under the control of, and report to, their superiors, rather than to the agency or commission to which they are assigned.

Mr. Downey Rice
Page Two
31 October 1973

We feel that in order to properly administer and maintain control within our organization, it is necessary that all State Police officers remain under our control and that their activities not be directed by some other law enforcement agency and/or commission.

When we at this office can be of further assistance to you, do not hesitate to write us.

Very truly yours,



James D. Barger
Commissioner

JDB/mlw



Reckless Date:
Nov. 8. 1973

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

October 25, 1973

Colonel James D. Barger
Commissioner
Pennsylvania State Police
617 Transportation and Safety Building
Harrisburg, Pennsylvania

My dear Colonel Barger:

Attached for your information is a copy of the recent Progress Report issued by this Committee. You will note that the Committee expressed serious concern about the advisability of the use of State Policemen as investigators for the Pennsylvania Crime Commission.

In order to inform this Committee as to the current situation, would you kindly furnish the Committee with the following:

1. The number of State Policemen, if any, currently assigned for duty with the Pennsylvania Crime Commission.
2. The financial arrangements; i.e. to say to what budget and payroll the salaries and expenses are assessed.
3. The aggregate amount of salaries and expenses of State Policemen assigned to the Pennsylvania Crime Commission during the calendar year of 1972, breaking this down into salaries and expenses.
4. Your comments as to the pros and cons of using State Policemen as investigators for the Pennsylvania Crime Commission.

With kind personal regards, I am

Sincerely,

DOWNEY RICE
Counsel

DR:rf
enclosure