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

MEMORANDUM

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By Downey Rice

Date December 19, 1973

FILE: GOVERNOR'S JUSTICE COMMISSION

Interview of Thomas C. Berard

An interview was had with Thomas C. Berard, Director of Administration, Bureau of Administrative Services and Financial Management, Governor's Justice Commission, on December 19, 1973, by Truman Burke and the writer.

The stated purpose of the interview was to talk about personal data and the big picture of the Governor's Justice Commission would not be included, nor would the background about the Department of Mines and Mineral Industries.

Berard said that he was about 17 years of age and living in Cranford, New Jersey, when his mother, a widow, petitioned the court to change the family name from Berardelli to Berard. Berard's father, Constantino, died in 1936, and his mother was Frances.

As to the Winship Case Corporation bankruptcy (see Malley memorandum of December 10, 1973 and Berard's resume prepared around 1938), Berard proved to be a most difficult person to interview. After glossing over the subject several times and launching into other subjects, he was brought back to the question and finally conceded that the story was something as follows:

Winship Case was a company that has been in business since about 1870. It was owned by the Winship family and produced cardboard containers for manufacturers, such as Kodak and General Electric. A younger Winship, who was a ne'er do well, took over and then conveyed the Winship family interests to a lawyer, an insurance man, and a mason contractor. Young Winship remained in a nominal capacity.

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About 1962, Berard, who claimed to have something of a reputation as a production engineer, was called into the company as a consultant to help with problems on the production line. He served for three months, during which time production was upped from \$10,000 or \$12,000 to \$60,000 a month. Just when things seemed to be going very well, the Winship Company operators called him in to advise that liens had been filed and the company was de facto bankrupt. Berard had been involved in the financial aspects and could not understand how with \$600,000 in back orders from substantial buyers the company had fallen into financial difficulties. Thereupon he talked with his own lawyer who found out that Berard was convinced that the company could make money if properly operated. Thereupon Berard filed a petition to operate under Chapter 11. He stated that the understanding was that the creditors would refrain from pressing for bankruptcy and permit a plan of organization under which they would be paid 30¢ on the dollar.

Berard took over as President and said he paid off the Security Trust Company in Rochester in full. He also paid the Federal Government \$37,000 withholding taxes that were owed it. He said that the creditors who were supposed to be paid 30¢ on the dollar received something on account, but he could not recall how much and conceded that they did not receive the last two payments that were supposed to have been made. He did not answer as to whether 5¢, 10¢, or 15¢ on the dollar had been paid.

During the Chapter 11 phase, Fibercel Corporation of Olean, New York, that also did some packaging, manifested interest in the assets. According to Berard, a plan was developed whereby Fibercel took over the assets of Winship Case and some money was borrowed from the Exchange Bank in Olean. Finally, with all of the assets taken over by Fibercel, Berard phased his own interests out and that was the end of Winship. He hedged on conceding that after the creditors complained of failure to live up to the Chapter 11 agreement, the company was adjudicated a bankrupt.

Berard identified the resume obtained by Truman Burke as being his work product. Asked about the statement regarding Winship Case Corporation referring that Winship is still a going concern, about the most that Berard would admit was that perhaps the statement could be more accurately worded.

Berard was asked what salary he drew while administering the affairs of Winship as President. A question was based on a statement of H. B. Charbury to Arthur F. Sampson contained in the letter of October 25, 1968 regarding Berard in which it was said:

"His annual salary as President of the Winship Case Corporation and the American Massage Corporation was \$24,000 and \$35,000 respectively."

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Berard replied that he was paid \$15,000 per annum by Winship. Asked about whether he was supposed to get \$24,000/\$25,000, he replied in the affirmative, but that he only drew \$15,000 because he wanted to help the cash flow.

As to the amount drawn from American Massage Company, he said he also drew \$15,000 as President; but when asked if it could have been \$35,000, replied, "Yes, it could have been if I took the bonuses, but I did not take them."

When Winship was liquidated, primarily by conveying the assets to Fibercel Corporation, the Exchange National Bank of Olean, New York, had to agree to the conveyance. Frank Higgins of that bank knew about the arrangement.

The Exchange National Bank had put a consultant into the picture presumably to protect his interest. He was Norman Badger. Berard used Badger as a reference in his 1968 resume, describing him as a management consultant at Great Valley, New York. As of 1973, Berard has lost touch with Badger and does not know where he is now.

Louis M. Clark, also given as a reference and described as an investment counselor at Rochester, New York, had been comptroller of Winship. Berard believes that he has gone to work with DuPont-Forgan.

Berard conceded that the Exchange National Bank was never repaid.

In his resume, Berard indicates education at Stevens Institute of Technology, 1949-51, in mechanical engineering, and describes himself in some of his jobs as "design engineer," "development engineer" and "chief engineer." In the interview, he conceded that he had attended some night classes at Stevens, but had no degree from any engineering or other institution beyond high school level.

Forbes and Wagner, Silver Creek, where Berard was employed during the 50's, he believed that the President, Archie Paglia, still functions and the company remains in business. He does not know what has happened to Niagara Therapy nor American Massage as he disposed of any interests he had in those concerns, selling and assigning any patent rights he may have had to American Massage for about \$5,000. He retains no stock, warranties, or continuing interest of any sort in those entities.

As to his net worth, Berard said that he had no income except his salary of \$21,000 per annum as a Class V Administrator. He owns his home in Hershey, which has about \$42,000 in mortgages against it. Approximately \$25,000 is owned to Harris Savings and Loan and \$17,000 to "family" - apparently a second mortgage. He has a 1972 Cadillac and about \$2,600 in savings.

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He has two boys. One of them is at Penn State. In order to finance his education, he disposed of most of his antique cars. He lost one boy in an automobile accident.

Berard said he had been fingerprinted when with Bell Laboratories and also, he believed, when he was with Eastern Aircraft, but had no arrest record beyond a radar infraction.

He has accumulated seven years in Pennsylvania government service toward retirement, and has served under four Attorneys General: Sennett, Speaker, Creamer and Packel.

The story of his experience with the Bureau of Mines and Mineral Industries was one that Berard seemed anxious to tell, but was not gone into. Several times he referred to the fact that the subject matter of the interview had been exhaustively investigated by the Justice Department. He said that there was one investigation that was prejudicial. Thereafter there was a further investigation that was apparently exculpatory. He did not explain what prejudicial meant. Although early in the interview, he disclaimed having seen the investigative reports, he later volunteered that he had a copy of the second investigative report, but was not sure of the identity of the investigator.