



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

JRM

December 6, 1973

Mr. E. Drexel Godfrey, Jr.
Executive Director
Governor's Justice Commission
Post Office Box 1167
Federal Square Station
Harrisburg, Pennsylvania 17108

My dear Mr. Godfrey:

Confirming our telephone conversation today, it is expected that you will appear at a hearing of the Committee to Investigate the Administration of Justice on Friday, December 14, 1973, at 10:00 a.m., in the Majority Caucus Room (Room 140), Main Capitol Building, Harrisburg, Pennsylvania.

The Committee is interested in the structure and overall program of the Governor's Justice Commission and has indicated some interest in the suggestions in the recent report of the Commission that some legislative proposals may evolve from your organization.

I will try to get in touch with you on Wednesday afternoon, December 12, to make your acquaintance.

Sincerely yours,

DOWNEY RICE
Counsel

DR:rf

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

MEMORANDUM

By Truman Burke 

Date December 6, 1973

FILE: GOVERNOR'S JUSTICE COMMISSION
Thomas C. Berard

On December 6, 1973, Assistant U. S. Attorney DON O'CONNOR, Buffalo, New York, telephone No. 716:842-3460, advised that his records show the following reference to a bankruptcy case involving PHELPS WINSHIP CORP., also known as WINSHIP CASE CORPORATION, of Olean, New York. The file number is BK-63-340.

According to O'Connor, there is no file with the U. S. Attorney's office and the bankruptcy records would be on file with JOHN ADAMS, Records Clerk, Federal Court Records, Federal Court House, Buffalo, New York. He advised that Mr. Adams' telephone number is 716:842-3440.

Mr. O'Connor also advised that the current bankruptcy referee is BERYL McGUIRE, however, the bankruptcy in question appears to have taken place in 1963 and, therefore, McGuire would not have been the referee. He advised that JAMES PRIVITERA would have been the bankruptcy referee at that time. Privitera is currently in law practice at 1005 Walbridge Building, Buffalo, New York, which is directly across from the Court House. He advised that Privitera's phone number is 716:854-7587.

On the same date, MICHELE GARLINGER, Records Clerk, Federal Court Records, Federal Court House, Buffalo, New York, telephone No. 716:842-3440, advised that bankruptcy file No. BK-63-340 is in file and consists of four folders. Garlinger advised that the file would be made available upon request. In the event that copies were needed, a fee of 50¢ per page would be charged.

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

MEMORANDUM

By James R. Malley

Date December 10, 1973

FILE: GOVERNOR'S JUSTICE COMMISSION
Thomas C. Berard

PHELPS WINSHIP CORPORATION - WINSHIP CASE CORPORATION

Through a source, it was determined that a petition was filed against the PHELPS WINSHIP CORPORATION of Olean, New York. File number is BK-63-340 under Chapter 11 of the bankruptcy laws.

The file indicates that this company was formed on February 24, 1959 and was engaged in the manufacturing of commercial carrying cases.

The schedules were filed by THOMAS C. BERARD, 44 Buffalo Street, Silver Springs, New York, and he was listed as the director, stockholder, and president. The assets were given as \$179,277.24. Liabilities were shown as \$200,693.03. The reason given for the petition being filed was "unable to pay debts."

The company indicated it desired to continue as "debtor in possession." A restraining order was issued on March 11, 1963 by the bankruptcy court and was served on the creditors. The first creditors' meeting was held on April 11, 1963 at which time the company's name was changed to WINSHIP CASE CORPORATION. The business location was changed from Olean, New York, to Hinsdale, New York.

The business was discontinued on June 18, 1965 because of a default of the plan of organization. It was understood that in the original restraining order the company was to pay 30¢ on the dollar on all debts, along with 3% interest on the principal. Some of the creditors were complaining because of failure of the company to live up to its agreement and one of the creditors brought bankruptcy proceedings. On January 26, 1966, the company was adjudged bankrupt. The trustee in this bankruptcy proceeding was one LOUIS A. RYAN. At the time, the assets of the company were shown as \$550.00. The final meeting of the creditors was held on December 13, 1966.

GOVERNOR'S JUSTICE COMMISSION
December 10, 1973

The writer was advised that the file does not reflect any wrongdoing on the part of Berard as an individual, but does reflect throughout that the company was simply not making money and was unable to pay its accumulated debts.

A source in Washington, D. C. advised that the government agency had no record of any kind on Thomas C. Berard, the Phelps Winship Corporation of Olean, New York, Winship Case Corporation, Niagara Cyclo Massage Company, the American Massage Company - Silver Creek, New York, or the Niagara Therapy, Inc., Brockton, New York.

A source in a government agency in Buffalo, New York, advised that they had no information in the files concerning Thomas C. Berard.

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

MEMORANDUM

By James R. Malley

Date December 12, 1973

FILE: GOVERNOR'S JUSTICE COMMISSION

On December 3, 1973, at Erie, Pennsylvania, RAYMOND FRANKENBURG and KARL BOYES were interviewed at the Royal Arms Motel. Several hours after the interview started, the two named individuals suggested that they get hold of JOHN NESBITT, Planner III, Governor's Justice Committee - residence address 3436 West 43rd Street, Erie, Pennsylvania - who can be contacted through Frankenburg and Boyes. He was brought into the interview because he would be able to contribute valuable information and arrangements were made for Nesbitt to be present.

Boyes and Frankenburg expressed the view that in order to adequately handle hearings relating to the Justice Commission, it would be necessary for members of the Committee, particularly the Committee Counsel, to be quite familiar with the regulations relating to the Justice Commission. They stated that the regulations were somewhat complicated and unless one was fairly familiar with them, it would be quite possible to ask questions which could be turned around to the detriment of the Committee.

Both Boyes and Frankenburg were continuing to check material that was available to them in order to make available copies of items they felt would be of interest to the Committee.

During the discussion, it was mentioned that CHARLES BRESNAHAN, 209 Pineford Drive, Middletown, Pennsylvania, telephone No. 717:944-6515, was a former auditor of the Justice Commission and would be very knowledgeable concerning its operations. Efforts should be made to locate Bresnahan for an interview for any information that he is in a position to furnish concerning the operation of the Justice Commission.

They also mentioned a FRED GILES, an attorney, a former Deputy Director of the Justice Commission, and also a former Attorney General of the State, who would be extremely knowledgeable concerning the activities of THOMAS C. BERARD.

on 1/8/74
Postal Records
at Middletown
show a change
of address
in Sept 1973
to
4500 37th St.
South
St. Petersburg,
Fla. 33711

Bundy

GOVERNOR'S JUSTICE COMMISSION

December 12, 1973

Page 2

Giles is from Paxton Crossing and is supposed to be working for Senator Louis G. Hill who is counsel for the Senate Judiciary Committee. Efforts should be made to locate Giles for an interview for any information that he is in a position to furnish concerning the operation of the Justice Commission. Contact could probably be made in the Capitol building.

The name of ALBERT LEWIS, Director of the Southcentral Regional Office and Council Chairman, was mentioned. Lewis submitted his letter of resignation on November 14, 1973. Boyes advised that Lewis is staying on until a replacement is named and that he would be extremely knowledgeable concerning Berard's activities, as well as other activities of a general nature relating to the Justice Commission, and felt that an interview would be well worthwhile. He is now living in Lebanon, Pennsylvania and has law offices in both Hershey and Lebanon. Efforts should be made to thoroughly interview Lewis.

Frankenburg advised that LEE KELLER was the auditor in the Harrisburg area and has a real grudge against Berard. He stated that while he believed that Keller would furnish valuable information concerning Berard, particularly if the interview was conducted while he was drinking a beer or two. . . he felt that Keller might discuss rather freely with other people the fact that he had been contacted concerning Berard. It was not recommended that this interview be conducted at this time, but considered at a later date.

Boyes advised that PEGGY KINGSTON, Administrative Assistant, in the Justice Commission, for purchasing contracts and other matters, hates Berard and that she became so disgusted that she took a reduced salary working in the Department of Public Welfare, Harrisburg, rather than to be associated in any way with Berard. Boyes felt that Kingston might furnish valuable information, but stated that she probably would do so only on the basis that her information would be kept confidential. The terms for furnishing information may or may not be correct and Kingston should be located and interviewed.

Boyes, Frankenburg and Nesbitt felt that there were three principal phases of the operation of the Justice Commission concerning which hearings could be held which would serve the purpose of bringing out situations that would indicate mismanagement within the Justice Commission:

1. Pennsylvania Crime Commission
2. Money allotted for community treatment
3. Evaluations

GOVERNOR'S JUSTICE COMMISSION

December 13, 1973

Page 3

John Nesbitt stated that the Governor's Justice Commission is subject to civil service regulations insofar as personnel matters are concerned. He suggested that a check be made of the civil service regulations relating to prior criminal convictions. The reason for this check is to see if the information set forth in the October 1973 Special Report to the Attorney General contains a statement to the effect that it was permissible to hire individuals for the Governor's Justice Commission who had been previously convicted.

In this connection, Nesbitt advised that he is personally aware of one individual who is working in Harrisburg that has a prior criminal record (Burke will try to get the name from Boyes, Nesbitt or Frankenburg) and that he is also aware of another individual up in the Erie area that has had a past criminal conviction.

Nesbitt stated that there is a real need to audit the planning funds at the state level. He stated that insofar as he knows, there has been no audit of any kind by state personnel. In this connection, the writer spoke with Jack Lynch in the Auditor General's office and he advised that no audit had been made of the Governor's Justice Commission with regard to LEAA funds inasmuch as they did not have any personnel available to do so. He said that this is one of the many items that Casey's office was hopeful they would have a chance to audit sometime in the future.

Nesbitt mentioned that there is a booklet being issued by Arthur Young Associates that will be utilized to reshuffle the Governor's Justice Commission. He stated that he had seen a copy of the original draft of this booklet and that it was extremely interesting. He advised that he would try to get hold of a copy of the original draft, as well as the booklet if they were available, and furnish them to the Committee.

He advised that there is no definite information concerning this at the present time, but that it now appears that Thomas Berard may be on the way out of the Governor's Justice Commission as it is felt that he is quite vulnerable to some of the actions he has taken while employed.

He advised that it appears that E. Drexel Godfrey, Jr., Robert Frederick, who has replaced Karl Boyes, and Keith Miles, a present employee of Washington Justice Associates, which firm has a number of evaluation contracts with the Governor's Justice Commission, will be the new powers to be in the Governor's Justice Commission. Miles will be leaving that firm and taking a permanent position in the Governor's Justice Commission.

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

MEMORANDUM

By Truman Burke

Date December 13, 1973

FILE: Governor's Justice Commission

On this date, Ray Frankenburg advised that the following system is followed regarding disbursements of checks under the Governor's Justice Commission.

In 1973, the total federal grant for the Governor's Justice Commission was \$30 million. The same amount, \$30 million, is provided for 1974. Each quarter, the Federal Government will issue a check, payable to the Commonwealth of Pennsylvania, for one-quarter of the total annual grant. The funds are deposited in an unknown Philadelphia bank.

Whenever a disbursement from the fund is needed, Godfrey—on the advice of Berard—would requisition a check through the State Comptroller's Office. Mr. Petruio would O. K. and forward the request on to the Secretary-Treasurer, or a check would be issued to the appropriate grantee as previously arranged under a subgrant.

Mr. Frankenburg stated that he knew of only one case in his area whereby a grantee did not utilize the full amount of the granted funds. He stated that the Farrell Drug Program originally received \$58,134 under grant No. NW149-71A. Frankenburg stated that \$5,235 of this grant was being refunded and Godfrey directed a letter to the grantee requesting that the refund check be made payable to "Governor's Justice Commission" and sent to the Governor's Justice Commission headquarters in Harrisburg to the attention of Thomas C. Berard.

Frankenburg advised he would supply appropriate copies of the grant, as well as the correspondence from Berard regarding the above, as soon as possible.

He advised that he would make an effort to ascertain the grants which were refunded to Berard and make them available as soon as possible.

Regarding the evaluation reports, Frankenburg stated that there are in excess of 1200 separate grants outstanding under the LEAA program in Pennsylvania and that, to date, 118 of the grants have been evaluated. The evaluations are performed

Governor's Justice Commission - 2
December 13, 1973

by those groups which are under subgrant, such as the Washington Justice Associates, Inc., whose individual or team of individuals would go to the grantee and undertake an efficiency examination of the project strictly from an operational aspect to establish that the personnel, equipment, etc. are being used under the terms of the grant.

He advised that a "consultant" was any outside contractor who had received grants to provide a service of evaluations which was totally funded from the planning funds (planning funds are 100% federally funded).

Frankenburg advised that CHARLES BRESNAHAN, who was fired approximately six or seven months ago, should definitely be interviewed. He was an accountant and directly involved with the finances. Because of a situation which developed in Philadelphia, Berard and Bresnahan had a fall-out. The matter supposedly involved a grant under the control of RIZZO in which Rizzo had misapplied some of the funds in violation of the grant.

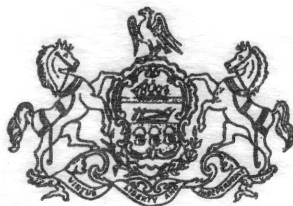
Bresnahan's statement is to the effect that Berard told him to O. K. the matter, but it was a verbal conversation. When the going got rough, Berard denied that he gave such direction and fired Bresnahan.

Bresnahan appealed his case to the Civil Service Commission and lost. He is supposedly very bitter and would make a good public witness.

Frankenburg advised that it is not unusual for the consultants to receive a maximum of \$200.00 per diem, however, most claim either \$100.00 or \$150.00, plus \$25.00 expenses per day, along with 14¢ per mile. These costs are in addition to the salaries which they are paid.

As for the Philadelphia Planning Board, JUDGE SHALPHIN is Chairman. In Frankenburg's own words: "They are completely wild when it comes to handling the LEAA funds."

Frankenburg advised that another area for inquiry would be the Governor's Council on Drug and Alcohol Abuse, which is headed by Dr. Richard E. Horman (Extension 7-9857) who commenced his department approximately one year ago and today has in excess of 118 employees. He believes most of the funds come from the state, however, he estimates that between \$10 and \$15 million would come from the Federal Government through HEW.



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

January 15, 1974

The Honorable Richard L. Thornburg
United States Attorney
Western District of Pennsylvania
United States Department of Justice
633 U. S. Post Office and Courthouse
Pittsburgh, Pennsylvania 15219

Dear Mr. Thornburg:

Despite our inability to get together over the telephone, we were fortunate that through Mrs. Barnhart we seem to have arrived at a satisfactory date for your appearance here in Harrisburg. Through her, we understand that the morning of Friday, January 25, should be agreeable and that you would expect to be in Harrisburg on January 24 so that we might talk together on that date.

We have checked the date with E. Drexel Godfrey and he is also understood to be available on the morning of January 25.

Accordingly, this will confirm the date and I will be in touch with you before that time on the details.

Sincerely,

DOWNEY RICE
Committee Counsel

DR:rf



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

January 15, 1974

Mr. E. Drexel Godfrey, Jr.
Executive Director
Governor's Justice Commission
Post Office Box 1167
Federal Square Station
Harrisburg, Pennsylvania 17108

Dear Mr. Godfrey:

Through the good offices of your secretary, Mrs. Ream, we seem to have reached an agreeable date for your deferred appearance with our Committee. We understand that the morning of Friday, January 25, seems to be clear on your calendar and that we expect to go forward on that date, subject to your notifying us promptly if that date is out of the question.

This will then confirm the arrangement as far as possible to do so at this time; and, as before, I will undertake to get in touch with you before your appearance so that we will understand the area of interest.

Sincerely,

DOWNEY RICE
Committee Counsel

DR:rf

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

MEMORANDUM

Jem
By Truman Burke

Date January 8, 1974

FILE: ✓ LEAD FILE
GOVERNOR'S JUSTICE COMMISSION
Charles Bresnahan

In reference to James R. Malley's memorandum of December 12, 1973, regarding the whereabouts of CHARLES BRESNAHAN, the following information has been obtained.

The local telephone directory shows a listing for Bresnahan at 209 Pineford Drive, Middletown, Pennsylvania, telephone No. 717:944-6515, however, an effort was made to reach Bresnahan at this number on January 8, 1974 and the telephone has been disconnected.

On January 8, 1974, postal records at Middletown, Pennsylvania show that in September 1973, Charles Bresnahan put through a change of address for 4500 37th Street South, St. Petersburg, Florida 33711.



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

JRM

January 17, 1974

Mr. Charles Bresnahan
4500 37th Street South
St. Petersburg
Florida 33711

Dear Mr. Bresnahan:

This Committee was formed under House Resolution No. 21 to investigate the administration of justice in the Commonwealth of Pennsylvania. An area of interest to the Committee is the Governor's Justice Commission, and it is our understanding that you held a position with this Commission prior to your relocating to St. Petersburg.

The Committee staff would like an opportunity to discuss certain functions of the Commission with you if it is convenient for you to be in the Harrisburg area. If your plans in the future include a return visit to Pennsylvania, we would certainly appreciate an opportunity to discuss this matter with you at your convenience.

Your cooperation in this matter will be greatly appreciated.

Sincerely yours,

DOWNEY RICE
Committee Counsel

DR:rf

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

MEMORANDUM

By Downey Rice

Date January 22, 1974

FILE: LEAD FILE

Kent Pollack said that a former Philadelphia Police Captain, ROBERT FREDERICK, whom he believes to be a solid performer and approachable, might speak out. Frederick is currently serving with the Governor's Justice Commission in Harrisburg. He should be approached.

Robert Frederick
Executive Assistant
Governor's Justice Commission
415 Executive House
Harrisburg, Penna.
Telephone No. 787-2040



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

U.S. Justice Commission

Downey Rice

January 22, 1974

LEAD FILE

A quick review of the Congressional Committee Report of 1972 suggested some of the following leads:

Pages 23 and 31

Determine if Motorola succeeded in blanketing the Pennsylvania market as accomplished in other states, resulting in severe criticism by the Congressional Committee. Perhaps, if so, contact with a losing bidder, such as GE, might develop information as to how Motorola worked it in Pennsylvania.

Similarly, Ernst & Ernst came in for criticism for dominating the consultant area to the tune of millions of dollars in other states. We should find out through our sources if this happened in Pennsylvania and tie it in for questioning of responsible officials, such as Godfrey.

Page 61

Contact our sources to see if there were any "oddball" grants in Pennsylvania, such as the one for kindergarten training, set forth at Page 61 of the Report.

Page 15

Have we contacted the Casey group, or otherwise, along the lines of developing information as set forth at Page 15 where U.S. Treasury funds "with no immediate place to go in the criminal justice system are channeled by state and local governments into their bank accounts and investment portfolios?"



LEAD FILE - 2

January 22, 1974 HOUSE OF REPRESENTATIVES

Pages 8 and 9 COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

Contact our sources and otherwise attempt to establish whether or not the expenditures in Pennsylvania were heavily weighed in favor of hardware to the degree that constitutes an abuse and misunderstanding of the purposes of the Act that indicates money is not to be spent just on hardware or other support for what would and should be state taxpayer-supported operations and police departments.

Pages 61 and 156

Follow the GAO as per pages 61 and 156.

Page 64

Straighten out the story on what the facts were on the apparent criticism of the so-called Philadelphia Plan to help employ youths referred to at Page 64.

Determine in a hearing or otherwise if the Governor's Justice Commission has any indicia or figures that will measure any improvement in the state's position in the war against crime as directly following from the expenditures.

Establish if anything was allocated and spent directly for an attack on organized crime. Criticism was levelled at one state for allocating only 2% for this purpose. See Page 19.

Does Pennsylvania have any program to evaluate and measure the effectiveness of the block grants as discussed at Page 70 of the Report?



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

Gov. Justice Com.

DR

Downey Rice

January 22, 1974

LEAD FILE

Majority Leader Butera advised that he had been in touch with the U. S. Attorney and the First Assistant U. S. Attorney in Philadelphia. These people indicated they would be interested in an informal talk with our staff as they are very much interested in Carcaci's role in the bankruptcy fraud.

Furthermore, they have a vested interest in the expenditures of federal funds allocated to Pennsylvania under the LEA Program and they have some views about possibilities of questionable practices in the retention of consultants and other personnel.

Mr. Butera said on January 22 that if we had not heard from him or these people within a week, we should remind him to set up a meeting.

In the above conversation, Butera addressed himself to the question of immunity as related to the legislative hearing function. He thought that Representative Pat Gleason might have a bill following the federal concept in which our Committee, in light of its experience with Carcaci, might want to take into consideration. Let's see what Gleason has.

C
O
P
Y

*note made to
call Butera.*

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

MEMORANDUM

By Downey Rice

Date January 22, 1974

FILE: SAM BEGLER
Governor's Justice Commission

A source advised that a ATS agent checked the office of the Pittsburgh Liquor Control Board on November 5, 1970. The records involved (apparently for 1969 or 1970) were those of the UNDERHILL MOTEL, INC., the corporate entity. Originally, the motel was operated as THE ADRILEE; but during the time in question was known as the DIPLOMAT. It is now known as the HUNTINGDON or HUNTINGTON.

At the time in question, there were 18 shareholders listed. In addition to DORIS BEGLER, there were two individuals who are mentioned in the 1970 Pennsylvania Crime Commission Report. They were JOSEPH SICA and FRANK ROSA of the LaROCCA family. Also listed was ESTERINA (phonetic) SICA, wife of Joseph Sica.

Additionally, one of the stockholders was JOHN BAZZANO. Bazzano's father is mentioned at Pages 18, 22 and 60 in the 1970 PCC Report. Bazzano's father was a boss of the rackets and was "eliminated." John Bazzano's son is married to a daughter of ANTONIO RIPEPI. Ripepi is apparently also in the rackets. Although source did not believe it has been publicly documented, John Bazzano, the stockholder, is recognized as a member of "the organization," and is in the rackets in south Allegheny County.

Two other racket types among the stockholders are ARTHUR RESNICK of the Washington Linen Supply Company, and JOHN SCALZETTI of the Jones Auto Sales Company, that is a front for the rackets.

When source is going to supply the names of the other stockholders, it was agreed that he would prepare a memorandum that could be picked up.