



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

Downey Rice

February 5, 1974

**Lead File
Richard L. Thornburgh**

**Obtain copy of Thornburgh's memorandum of law covering jurisdiction of
Pennsylvania Crime Commission and necessity of disclosing the list of 375
businesses to the Legislature**

COPY



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LEAD FILE
Richard L. Thornburgh
Sam Begler

Big "T" ought to be able to put us in touch with newspaper contacts who would have access to the morgue records on these individuals for each of the Pittsburgh papers (PITTSBURGH POST GAZETTE AND PITTSBURGH PRESS).

Find out from Thornburgh who the intermediary was for Begler in re the Governor's Justice Commission matter and put a confidential interview on him.

COPY



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February 5, 1974

SAM BEGLER

Jim:

The name of a knowledgeable reporter with a background of Who's Who in the Pittsburgh area, JACK GRODOT (or some variation - I couldn't read my note) with the Pittsburgh Press, was given to me by BILL McGLADIGAN. McGladigan is with the Department of Labor Investigative group. He is now in Washington, D.C. (202:427-7970), but worked with the Strike Force in Pittsburgh investigating Begler. He should be contacted to see what he has on the "Dirty Dozen." I learned about him through TED THOMA.

Another possible source in the Pittsburgh area that might have access to credit, corporate, bank and other types of records would be our friends at the Better Business Bureau.

Thomas R. Connoly
Supervisor of Operations
Better Business Bureau

Robert E. Baker
General Consumer of Affairs
Better Business Bureau



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LEAD FILE

✓ Governor's Justice Commission
Sam Begler
Richard Thornburgh

Craig Truax reported on February 5 that he has a confidential source (Bill ?). The source in the past has been highly placed in labor circles in western Pennsylvania and reported to Craig that he was upset about Begler's denials of knowing his fellow stockholders intimately and then claiming to have gotten out of the Underhill corporation when there was some TV publicity.

The source went on to say that Begler was the key figure between the Mafia and Harrisburg and regularly attended "Mafia Board" meetings in a basement room at the Holiday House in Pittsburgh. The source seemed to think that the F.B.I. must have conducted some surveillances of these meetings. Craig had not ascertained from the source the identities of the participants other than Begler.

Craig was told that we have extreme interest in developing the information further. He said he would arrange to go to see the source personally in western Pennsylvania in the very near future because the source wanted a favor from him. He agreed to take a list of the stockholders with him and go over them with the source.

Craig also agreed to see if the source would meet with Jim Malley or the writer. It was agreed that telephonic liaison would be maintained in the hope that that possibility would present itself.

On the same date, telephonic contact was had with DICK THORNBURGH in which Thornburgh expressed agreement that a personal meeting with Malley or the writer should take place at an early opportunity to discuss matters of mutual interest stemming from the GJC-Begler-Underhill matter. Thornburgh said he had no travel plans for the next week and would look forward to the meeting to be set up by a telephone call.

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

MEMORANDUM

By Truman Burke

Date February 13, 1974

FILE: GOVERNOR'S JUSTICE COMMISSION

On February 13, 1974, the writer met with ROBERT CASEY, Auditor General, JOHN LYNCH and WILLIAM SMITH, after which Mr. Casey stated that his department has never conducted an audit of the Governor's Justice Commission.

He has recently (past two weeks) received a request from Deputy Attorney General SOLOMON requesting him (Casey) to conduct an audit of the Governor's Justice Commission. According to William Smith, they have written back to Solomon requesting that federal monies be utilized to pay for the audit. Smith continued to say that whether the Federal Government paid for it or not, the audit will be conducted of the Governor's Justice Commission in the near future.

Smith advised that HARRY YAVERBAUM, audit specialist, is currently mapping out the audit program for the Governor's Justice Commission. When it is completed, the audit should commence shortly thereafter.

Yaverbaum has in his possession a copy of a federal audit which was conducted some time ago of the Governor's Justice Commission. He will make this report available to the writer for review.

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Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

MEMORANDUM

By Truman Burke

Date February 13, 1974

FILE: GOVERNOR'S JUSTICE COMMISSION
CC: Thomas Berard
Charles Bresnahan

On January 31, 1974, LEE KELLER, 4200-B King George Drive, Harrisburg, Pennsylvania, telephone No. 717:652-1361, furnished the following information.

He was employed as a supervisor for the field auditors of eight regions of the Governor's Justice Commission from November 1971 through May 2, 1973, at which time he retired. He is currently retained by the County of Erie to audit federal law enforcement projects for the county and works approximately one week a month in Erie.

Keller stated that he was a close associate of CHARLES BRESNAHAN who was fired by BERARD last year. Bresnahan was fired by Berard because the Governor's Office had requested that the Justice Commission provide a study to show what monies will be coming back from salvage. The Governor's budget people had requested the information. Bresnahan's study revealed that \$1.5 million would be coming back in the form of salaries. The Governor's people thought this amount was extremely high and jumped all over Berard about it. Berard then proceeded to blame Bresnahan and subsequently fired Bresnahan for incompetence.

Keller also stated that in March 1972, he and Bresnahan presented a program of guidelines to Berard for use by the Commission, and Berard shot it down. Berard then set up his own program of guidelines for the subgrants, which is apparently in existence. The Commission had been without any subgrantee guidelines for four or five years.

Keller stated that the Department of Justice auditors are constantly involved in double efforts. The Commission had its own audit department. They conducted final audits which they presented to Berard. The Justice Department would turn around and conduct a similar audit.

GOVERNOR'S JUSTICE COMMISSION - 2

February 13, 1974

Keller stated that PEGGY KINGSTON (who he used to have lunch with) was dissatisfied with Berard and left the Commission some time ago.

Keller stated that the City of Philadelphia owed \$1-1/2 million on various grants to the Commission, which had far exceeded the federal two-year program.

Keller advised his understanding of the LEAA system is that the Federal Government allotted to Pennsylvania \$30 million annually. This is based almost solely on population. After the allotment is made, the regions submit grants to the Commission drawing on the allotment. Without question, the Commission called all of the shots.

Keller described GODFREY as a gentleman who tried to do the right job. He does not know why Godfrey would be resigning or who would be his replacement. Keller stated that Godfrey's resignation could very well be that he was a figurehead and he lacked the delegating of responsibility because Berard runs the show.

Berard collected the refunds from the subgrantees and was in a position to use the money as he saw fit. It is his understanding, but he is not certain, that the refunds decreased the federal contribution for the upcoming year. (This does not appear to be the case.)

Keller stated that the MOTOROLA people wrote the specifications for the communications system. Without question, the specs were designed in line with the Motorola people to fill the order. When Motorola provided a bid, it was obvious that GE and other potential bidders could not qualify at the same price, simply because Motorola geared the specs to prevent GE or others from having the lower price.

Mr. Keller stated that one grant certainly needs some checking by the Committee because he has never been able to understand it. The public defender's office in Philadelphia was given a \$300,000 LEAA grant for the purpose of hiring 20 new attorneys. They did not hire the attorneys and he is quite certain the money was never refunded.

The interview was terminated with Mr. Keller with the understanding that he was to contact other sources and be back in touch with the writer.

GOVERNOR'S JUSTICE COMMISSION - 3
February 13, 1974

On February 11, 1974, the writer talked to Mr. Keller on the telephone, at which time he stated that two other programs need checking on by the Committee. They are:

1. The Allegheny Police Academy which he believes never got off the ground.
2. The Allegheny County drug program which involved the use of methadone. This program involved a lot of racial implications.

Keller advised that he was reluctant to talk on the phone. It was arranged for the writer to contact him in person at his home on the morning of February 12, 1974. Efforts were made several times during the day to contact Mr. Keller at his home with negative results.

Keller had previously stated that he was going to Florida on February 13, 1974 for approximately one week. He planned to talk with Bresnahan about matters of mutual interest regarding the Justice Commission.

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

MEMORANDUM

By Truman Burke

Date February 14, 1974

FILE: GOVERNOR'S JUSTICE COMMISSION
Thomas Berard

On February 14, 1974, it was learned that ROBERT FREDERICK IS THE Acting Executive Director of the Governor's Justice Commission until such time as a replacement for Godfrey can be made.

On the same date, an attempt was made to arrange for an interview with THOMAS BERARD, at which time he stated that in view of the Godfrey hearing and his appearance before the writer and Rice, he has been advised that any future contact with the Committee must be approved by the Attorney General. He stated that he would contact the Attorney General and be back in touch with the writer.

A short period of time later, Mr. Berard advised the writer that he had been in touch with Deputy Attorney General PETER BROWN who advised him that the Attorney General was out of town and the AG must approve of his meeting with the writer. Berard stated that in view of him being unable to obtain permission from the Attorney General that he would not be able to meet with the writer.

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

MEMORANDUM

By Downey Rice

Date February 20, 1974

FILE: Governor's Justice Commission
Thomas Berard

At the next public hearing involving the Governor's Justice Commission, documents forwarded by Richard Thornburgh on January 30, supplementing his appearance, should be introduced into the record. These are filed in the expansion folder:

- (1) Copy of letter dated November 17, 1972 from Thornburgh to J. Shane Creamer;
- (2) Copy of letter dated December 11, 1972 from Eugene L. Coon, Sheriff, Allegheny County, to Thornburgh.
- (3) Thornburgh's file memorandum of November 30, 1972.
- (4) Preface to the Comprehensive Plan for the Improvement of Criminal Justice in Pennsylvania (1973) appearing at Page xi.



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

Downey Rice

February 20, 1974

Lead File
Governor's Justice Commission

Before the termination of Truman Burke, pick out the five best horrible examples of questionable projects authorized by the Governor's Justice Commission. Ascertain and anticipate what will be needed to document these for a hearing.

Set up a closed hearing if necessary immediately for Berard and describe what necessary documentation he should bring with him in the subpoena.

COPY

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

MEMORANDUM

By Downey Rice

Date March 4, 1974

FILE: Governor's Justice Commission

According to one of the sources in regard to the Governor's Justice Commission, there is to be a drastic politically reorganization at the top level. A new Executive Director wired into Packel is one SNAVELY. His appointment is to be announced by the Governor about March 18 in connection with some other related announcement.

Meanwhile, there is much infighting between BERARD, FREDERICK, and his backup man from the Philadelphia Police Department. The source stated that if there was some way of getting them to talk, all of them would unload on one another as to questionable practices they are engaged in.

Meanwhile, there is complete silence as to the activities of DREXEL GODFREY, but the probability that he is serving with his old friend (consultant from Washington University) is consistent with the situation.