

7-23-73
2-25-73
YC-N-B

The General Account for Yoke Crest

In September, 1973, an employee of Yoke Crest by the name of Edward Mumma (still employed there) went bankrupt and the Commonwealth National Bank foreclosed on his loan covering the purchase of a 1973 Capri. Mitch Rigel purchased this automobile from Mumma through the Bank by paying off the balance of \$1,817 in September of 1973.

On October 16, 1973, Mr. Rigel registered the car in the name of Yoke Crest. However, on 1/11/74, he sold the car to Yoke Crest for \$2,200 and received a check in this amount. Mitch Rigel claims that in addition to the price he paid the Bank for the car, he personally spent \$200 on repairs and inspection through Lee Douglas and another \$67 through Baskin Tire Company. The purchase of this automobile was not provided for in the grant, as funded -- in addition to which, this transaction is highly questionable.

Another critical issue concerns the fact that the award was made to Dauphin County and the application was signed by the County Commissioners. Unfortunately, they have explained that they believed they were only a pass-through and thought their signatures only meant an endorsement. For this reason, the drawdown checks to Yoke Crest against this project were merely endorsed by Dauphin County and passed over to Mitch Rigel for the Yoke Crest account.

Another unfortunate thing is that the Governor's Justice Commission Regional Staff misled Dauphin County by telling them they were only a pass-through and their signatures only meant as an endorsement for sponsorship and that they are not liable or responsible for this grant's accountability. The actual fact is that the initial recipient of a grant award is definitely responsible for the receipt and disbursement of all such funds and they can not contract away their responsibility in this area.

On this grant, Mitch Rigel and Larry Bienemann were salaried, as follows:

Mitch Rigel	\$17,250
L. Bienemann	9,000

for the one-year period of the grant in the aggregate. Due to the fact that the grant commenced in April of 1973, a salary analysis shows that Larry Bienemann actually received \$8,472 during the period from 4/73 to 12/31/73. This was calculated on a 12-month period of time. In addition, Larry Bienemann received, during the same period, an additional \$1,500 in a series of checks from Alternatives, Inc. (an umbrella consulting organization) for administrative expenses for consulting services. Some of these checks were called salary but, as of 12/31/73, they refunded the withholding of \$166. for Larry Bienemann and now refer to it as consulting services in total. However, no 1099 forms were ever filed and this raises the

salary paid to Larry Bienemann to an actual figure of \$13,240 rather than the 9,000 which was specifically authorized in the grant.

As regards Mitch Rigel, the salary stated in the grant to be paid to him was \$17,250. In addition to this amount, he received, during the period from 7/73 through 1/31/74, direct checks charged to administrative expenses totalling \$4,451.71. In addition, on 12/21/73, the first drawdown in the amount of \$28,682 made out to Alternatives, Inc. (DS-423-73) and \$23,682 of this was deposited in the account of Alternatives, Inc., the umbrella corporation. The remaining \$5,000 was taken by Mitch Rigel as a loan and deposited in his personal account at the Pennsylvania National Bank in order to make a real estate closing that day. He needed the money to finance the closing on the home he and his wife purchased a 220 Vineyard Road, Hbg., Pa. All this has been attested to by Mitch Rigel and I am attaching as Exhibit B papers showing that project funds were diverted for his own personal use in the purchase of his home. In questioning Mitch Rigel about this transaction, he states that it was an emergency measure and he and his wife are now waiting to repay the \$5,000 as soon as I unfreeze this account and advise them which account to deposit into.

This \$5,000 check was signed by Valerie Rigel as a Board Member and it was made out to Mitch Rigel. On the date in question, Valerie's name was no longer valid as an authorized signature due to misfiling of signature cards by the Pennsylvania National Bank. However, the Bank honored the check and it was deposited in the personal account of Mitch Rigel.

This is an advance report as the books are in such disarray and there are many more avenues to explore in so far as charge accounts, credit cards, vouchers, and invoices which are missing are concerned. No one at Yoke Crest or Alternatives, Inc. can seem to find these and it will probably be at least another week before the final detailed audit report can be prepared and even then it will probably not have some of the missing items.

EXHIBIT "B"

- 1) REAL ESTATE CLOSING
- 2) CHECK # 152, PENN NATIONAL BANK TO M. RIGEL \$5000 12/21/74

YCN-E

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

MEMORANDUM

jsm

By Dale S. Thompson

Date June 12, 1974

FILE: Governor's Justice Commission

On June 12, MARCIA M. TAMKE, 3521 Cedar Avenue, Camp Hill, Pennsylvania, telephone No. 761-4565, was telephonically contacted.

She seemed hesitant to become further involved in the Alternatives, Inc/Yoke Crest situation. She indicated she was not holding back any information, but she would have to see books and records in order to furnish specific information.

She was asked about the \$5,000 check payable to Mr. Rigel on December 21, 1973. She replied that Mr. Rigel came into the room and asked her to write out a check for \$5,000 which he needed to close on a house and that he had arranged to return the money immediately. Other staff members were there and she specifically asked whether she should do this. LARRY BIENEMANN said, "Go ahead and do it." She did.

With the exception of this particular transaction, it is believed that she would not be able to furnish much of the overall background with which Mr. Bienemann is intimately aware.