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

MEMORANDUM

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JSM

By Dale S. Thompson

Date June 26, 1974

FILE: Governor's Justice Commission

On June 25, 1974, Mr. JAMES E. LEAKE was interviewed at the White Hill Correctional Institution by Mr. Malley and myself. Mr. Leake's telephone number is 737-4531, extension 346.

Mr. Leake is an ex-con, however, he has received a full and complete pardon. He advises that he has had education at Pennsylvania State College and he is still attending classes at that institution.

Mr. Leake was engaged in a storefront therapeutic community program in Harrisburg entitled "Gaudenzia." Through this program he met MITCH RIGEL who was at Yoke Crest. Mr. Leake was hired by Mitch Rigel and/or ED FARADAY as a Resident Director at Yoke Crest in 1971. Yoke Crest at that time was a half-way house and Mr. Leake was instrumental in turning the Yoke Crest operation into a therapeutic type program.

In July or August 1972, Mr. Leake became a consultant at the Governor's Council on Drug and Alcohol Abuse. About January 1, 1973, he became a member of that Council, which was a paid position.

Effective September 1, 1973, Leake became an employee of Alternatives, Inc. and was hired as the Project Director for the therapeutic community program at the Camp Hill institution. This program related to drug and alcohol users and is funded by LEAA funds through the Bureau of Correction. The first year ends June 30, 1974, and the following year's funding has been approved by the Governor's Justice Commission. The program relates to the treatment of adult offenders with a history of drug and alcohol abuse. The group has an average age of 22 or 23.

Mr. Leake never knew Ed Faraday or Mitch Rigel except shortly before the time he was hired at Yoke Crest.

Governor's Justice Commission - 2  
June 26, 1974

Mitch Rigel and some of the staff at Yoke Crest wanted to do other things than the limited program in effect at Yoke Crest. This included work with juvenile delinquents, alcoholics, etc. The Yoke Crest Board said that that organization was not yet ready to expand into other areas. Accordingly, Mitch Rigel and members of his staff set up Alternatives, Inc. for the purpose of getting into other programs.

Members of Alternatives staff who were originally incorporators of Alternatives included Jim Leake, Ed Faraday and ANN BANIEN. He does not recall whether LARRY BIENEMANN was one of the incorporators. In the fall of 1972, Leake resigned from the Board of Alternatives.

Leake was advised that Mitch Rigel was a member of the Governor's Council on Drug and Alcohol Abuse, but that he resigned because of a possible conflict of interest between his position there and projects in which he was involved. It was after Rigel's resignation that Jim Leake was asked to and did fill Rigel's vacancy on the Board.

After the trouble with Alternatives, Inc. projects, Leake was transferred to the Bureau of Correction staff effective March 2, 1973. At that time, he resigned his position on the Governor's Council on Drug and Alcohol Abuse because of a possible conflict of interest.

Mr. Leake worked at the institution in connection with Alternatives' grant there and consequently he was not in day-to-day contact with Mitch Rigel and other members of the staff. However, he would from time to time hear comments concerning Mitch Rigel's gambling. This was both card playing and at the race track. A lot of this was hearsay from Larry Bienemann. In January 1974 just prior to the time Rigel went to Florida, Messrs. Bienemann, Leake and Jaffe went to Mitch and told him that he would have to change his ways in connection with gambling. These three top staff members of Alternatives felt that if they did this in a unified group that they would have a salutary effect on Mitch. They felt he was jeopardizing the Alternatives programs. Mr. Leake said that on two occasions he had gone to a local bar and had talked Mitch into leaving a card game there.

Shortly after Rigel went to Florida, Mr. Leake heard of the \$5,000 taken by Rigel. He heard this from Larry Bienemann. He was not present at the time the check was written to Mitch, nor did he know about it until after Mitch had gone on vacation. He considered this, if not illegal, at least unethical. He immediately got in touch with Dr. RICHARD E. HORMAN of the Governor's Council on Drug and Alcohol Abuse and told him that it was necessary to reevaluate Mitch's activities. He reported on the use of \$5,000 in public funds, Mitch's gambling,

11 see address  
p 4

and the fact that Mitch was not devoting adequate attention to the various projects. He does not know to whom Dr. Horman reported this information, but shortly thereafter an audit by the Governor's Justice Commission was initiated. Mr. Leake reported this information to Dr. Horman because he knew him personally and had worked with him. He knew no one at the Governor's Justice Commission. He relied upon Dr. Horman to report the matter to the proper authorities.

Mr. Leake reports that while Mitch was in Florida, Messrs. Leake, Bienemann and Jaffe also met with Mrs. Kunkel of Yoke Crest. Also at this meeting were Mr. SPITZER, Yoke Crest lawyer, and HOWARD FIGOWITT, a member of the Board at Yoke Crest. They told Mrs. Kunkel of Mitch's activities. Mr. Leake was not aware of any problems between Mrs. Kunkel and Mitch. He reported this was not unusual since he was not involved in Yoke Crest activities. He had heard that negotiations were taking place concerning some kind of a consolidation or arrangement between Yoke Crest and Alternatives.

Mr. Leake learned in January 1973 that the Board of Alternatives at that time consisted of Mitch Rigel, his wife (Valerie), his brother and Newman Gaugler. He also learned from Bienemann that Mitch had placed himself in such a position to derive \$26,000 from the project for which Leake was Project Director. Mr. Leake was shocked at this, which was done unilaterally by Mitch, and he had not notified Leake. Mitch had been receiving about \$17,200 at Yoke Crest. There had been no provision made for Mitch's salary from this particular project. Because of these two things, it caused Leake to go to Dr. Horman and Mrs. Kunkel.

After Mitch came back from Florida, Mr. Leake told Mitch that he had reported the matters to proper authorities and told Mitch he had to do what he had to do. Mitch replied, "You do what you have to do and I'll do what I have to do." Mr. Leake believes that Mitch does not hold a grudge against Leake, however, Leake believes that Mitch's wife, Valerie, blames Leake for reporting all of this and causing the trouble.

Mr. Leake reports that at one time Valerie Rigel was a member of the Board of Directors at Yoke Crest, but is now just a member of Yoke Crest.

Mr. Leake does not know how active Valerie Rigel was in the administration of Alternatives, Inc. His dealings were strictly with Mitch Rigel.

Governor's Justice Commission - 4  
June 26, 1974

Mr. Leake heard that the \$5,000 taken by Rigel was money to be used as a down payment on a house and that it was to be repaid. Mr. Leake considers this unethical, if not illegal.

Mr. Leake is very much concerned that his project, as well as those of Yoke Crest, not be further hurt by adverse inquiry or publicity. He stresses the point that there are many ex-convicts who are doing an excellent job and he would not want such projects jeopardized by the Alternatives, Inc. case. He made it a point that it was he, Jimmy Leake, an ex-con, who "blew the whistle" on another ex-con.

7-10-74 Leake by phone advised that he went to  
Jimmy Ly's with Faraday - psychologist at Yoke Crest  
It was on Albany St. next to J.P. Greenwald.  
didn't know Jimmy Ly but know he was ex-con.  
band game in back room illegal - 700k match cut.  
1222 Maloney - Otis, Greenwald -  
didn't know of Warm Hotel.