

INTRODUCTION

Following a six-week investigation and three weeks of public hearings, the Pennsylvania House of Representatives Select Committee on State Contract Practices hereby reports on the operation of the Pennsylvania Department of Transportation in Westmoreland County.

A pattern of gross mismanagement and an organization that was rampant with corruption and staffed by officials who systematically extorted and coerced, on a percentage basis, lessors of equipment to pay kickbacks to the Democratic Party has existed in the Westmoreland County Maintenance District for the past several years.

Prior to 1971, when the present administration took control, equipment lessors were frequently contacted by PennDOT officials and requested to purchase tickets to Republican fund raising affairs. In contrast, however, to the procedures employed in 1971 and thereafter, these overtures were in the form of requests with little or no overt pressure applied. Obviously, the mere fact that the requests were being made by highway department officials was in itself a subtle form of pressure, if not outright coercion. The amounts paid by lessors during this time were invariably small, but, more importantly, never reflected a percentage of a lessors earnings from the state.

It should be clearly understood that the investigation by this Committee was not in any way limited to that period of time during which the incumbent administration controlled PennDOT. It was, and will continue to be, the goal of this Committee to discover and root out corrupt practices on the part of any state official or employee.

After Egidio Cerilli took control of the Westmoreland PennDOT district in March of 1971, the procedures drastically changed. Assistant superintendents, and sometimes the superintendent himself, contacted lessors on a systematic basis and demanded

percentage kickbacks to the Democratic party. In this report this Committee documents many of those instances and recommends the prosecution of Egidio Cerilli and present and/or former assistant superintendents Mario Bidese, Ralph Buffone and Maylan Yackovich for numerous criminal violations including common law extortion, blackmail, perjury, violation of the Anti-Macing statute and malfeasance, misfeasance and nonfeasance in office.

This report, along with pertinent statements, transcripts and evidence is being forwarded to the following law enforcement agencies in order that appropriate prosecutions may be instituted: the U.S. Attorney for the Western District of Pennsylvania, the U.S. Attorney for the Middle District of Pennsylvania, the District Attorney of Westmoreland County, the Attorney General of Pennsylvania, and the District Attorney of Dauphin County.

This Committee is not the first agency to investigate allegations of PennDOT corruption in Westmoreland County. The Auditor General of Pennsylvania, the Attorney General of Pennsylvania and the District Attorney of Westmoreland County conducted previous investigations. All of these agencies found corruption and mismanagement. The Auditor General recommended that at least 8 individuals be prosecuted while the Attorney General recommended the prosecutions of 2 individuals. It is a distressing fact that, to date, no prosecutions have been instituted.

This Committee is severely critical of the performance of the District Attorney of Westmoreland County in this matter. By his own sworn testimony he admits that his investigation revealed instances where prosecutions for extortion, blackmail and macing could have been instituted, yet he took no action, stating that he had

more important things to do. This Committee soundly rejects that explanation and unequivocally declares that there is nothing more important than insuring integrity in government. Failure to act swiftly when governmental corruption is uncovered only assures the continuance of that corruption.

Equal criticism must be directed to the Office of the Attorney General of Pennsylvania. It is the opinion of this Committee that that office did not aggressively pursue its investigation in Westmoreland County, acting to the extent that it did only at the insistence of the Auditor General. Dean Sheaffer, the acting director of the Justice Departments' Bureau of Investigation at that time, summed up his office's work succinctly when he testified before this Committee that the Westmoreland investigation was one of the Justice Department's "worst" ever. When the investigation reached the stage at which it might have proven politically embarrassing to the incumbent Administration, the Attorney General chose to extricate himself from the proceedings by referring the entire matter to the undermanned and ill-equipped office of the District Attorney of Westmoreland County.

The Committee, on the other hand has only the highest regard for the performance of the Office of the Auditor General in this instance. That office acted promptly, investigated vigorously, suggested appropriate remedial action and brought the illicit practices it uncovered to public attention. It could do no more within its mandate. This Committee deeply appreciates the cooperation which that office extended to it throughout the course of its work.

This investigation, as well as many others which this Committee shall report on at

a later time, clearly demonstrates inability and inefficiency in the Attorney General's office. Even more vividly it demonstrates beyond doubt the need for a more forceful and independent elected Attorney General.

This Committee strongly feels that, due to his deplorable performance as a PennDOT superintendent in Westmoreland County, Egidio Cerilli has disqualified himself from further service to the Commonwealth. It is incredible that following an investigation by the Attorney General and the Auditor General which revealed - in the words of the Attorney General - "a pattern of gross mismanagement--from the superintendent on down" and illegal and improper activities which could not have occurred without "at least the acquiescence of supervisory personnel" that the Governor of Pennsylvania would choose to reward such incompetence and corruption by nominating Mr. Cerilli to a position on the Pennsylvania Turnpike Commission.

This Committee now calls upon the Governor to immediately withdraw the nomination of Egidio Cerilli to the Pennsylvania Turnpike Commission and bar Mr. Cerilli from service in any other position with the Commonwealth. Should this request be rejected, the Committee calls upon the Senate of Pennsylvania to immediately initiate hearings to determine the fitness of Egidio Cerilli to serve as a Commissioner of the Pennsylvania Turnpike Commission. Should such hearings be instituted by the Senate, this Committee will forward to it all appropriate statements, transcripts, and evidence.

In addition, an assistant superintendent C.C. Hall, and two former assistant superintendents Ralph Buffone and Maylan Yackovich, refused to answer questions in public

session before this Committee, invoking their privilege against self-incrimination. This Committee respects the right of a citizen to avail himself of all constitutional guarantees. State employment, however, is a privilege not a right. When state employees, appearing before a duly constituted legislative committee, are questioned concerning their employment with the Commonwealth and refuse to answer such questions they forfeit their privilege to continue as Commonwealth employees. Accordingly, this Committee recommends that Mr. Hall be immediately dismissed from his position with PennDOT. Mr. Yackovich presently serves the Pennsylvania Lottery Commission. During his testimony before this Committee he refused to answer questions concerning both his former employment with PennDOT and his present employment with the Pennsylvania Lottery Commission. This Committee, therefore, recommends that the employment of Maylan Yackovich with the Pennsylvania Lottery Commission be immediately terminated. After the investigation of Westmoreland County by this Committee was completed, and shortly before public hearings were to begin, Ralph Buffone retired from his position with PennDOT. This Committee finds the timing of Mr. Buffone's retirement suspect and urges that an appropriate investigation be conducted to ascertain if Mr. Buffone, by his improper actions and refusal to testify has not stripped himself of any pension rights which he may now possess.

This investigation has, too, been hampered by the refusal of the Democratic State Committee to furnish to this Committee documents demanded pursuant to subpoenas. The political organizations of both major parties in some 30 counties, as well as the Republican State Committee have honored such requests. The Democratic State

Committee, however, has defied this Committee's subpoena and has steadfastly refused to cooperate. The production of contributor lists are critical to this Committee's attempt to trace the flow of monies extorted or coerced from PennDOT lessors and other individuals doing business with the Commonwealth. This Committee again calls upon the Democratic State Committee to fulfill its responsibility to the citizens of this Commonwealth and fully cooperate with its efforts.

The investigation in Westmoreland County, as well as in other counties and in other areas of state government, has led to numerous legislative recommendations which are already a matter of record. Other reports will follow and further legislative changes may well be recommended. These legislative recommendations are, and will be, designed to insure that no individual doing business with the Commonwealth should be required to contribute any money, regardless of the amount, against his will as a cost of either initiating or continuing to do such business.

Legislative change, however, is utterly worthless without the existence of concerned and aggressive law enforcement. To date, the performance of both state and local law enforcement agencies, has been woefully inadequate. Corrective action at the state level in this regard must come from the executive branch. This Committee can only hope that this report and those which follow will be the catalyst for appropriate remedial measures. To the extent that such inadequacies have been evident at the local level, of course, remedial action is solely within the province of the electorate.

Because of this law enforcement void, this Committee has been forced to function in areas more appropriately reserved to law enforcement agencies. Hampered by a lack

of time and manpower, it has been unable to perform, either in Westmoreland County or in the other counties it has investigated, the complete and exhaustive investigation which the pattern of corrupt and illegal activities detailed in this report demands. This Committee's function is not to eliminate corruption but rather to establish beyond doubt the existence of a systematic and widespread pattern of corruption which cannot be accidental.

The Department of Justice, as well as local law enforcement agencies, must use the findings of this Committee as a springboard for new, thorough, complete and aggressive investigations resulting in prosecutions, convictions and stern sentences where appropriate.

The work of this Committee in every county it has entered has been hampered by reluctance of citizens to become involved and provide evidence of wrongdoing. All too often, these citizens feel that any involvement on their part is an exercise in futility, that nothing will ultimately be done and that any affirmative action on their part will only needlessly jeopardize their security and well being. The pessimism of such individuals is repeated time after time in their statements that forced kickbacks to keep their jobs or maintain their contracts are accepted, if not welcome, facts of life.

This Committee vehemently rejects such ascertions. Corrupt practices need not be and must not be facts of life. The true danger of corruption to our society is not corruption itself. It is the belief on the part of our citizenry that corruption is a way of life, ever present and unchangeable.

The work of this Committee will not eliminate corruption. It can and does , however, serve as a signal to the citizens of this Commonwealth that corruption will not be accepted or tolerated. It must be the work of this Committee and those who follow after it to uncover and combat such corruption whenever it is found.

FINDINGS OF FACT

Exercising the authority vested in it by House Resolution No. 98, Printer's No. 1381, adopted July 25, 1973, the Pennsylvania House of Representatives Select Committee on State Contract Practices has conducted a limited investigation into alleged improprieties in the leasing practices of District 12-5 (Westmoreland County) of the Pennsylvania Department of Transportation. The object of the Committee's efforts was to determine if, under the existing system, PennDOT officials and employees are able to, and do in fact, condition the award of equipment leases and job assignments on the payment of contributions to the reigning political party. The evidence received by the Committee is of sufficient volume and quality as to make apparent that abuses of this character are prevalent, and that both new corrective legislation and the conscientious enforcement of existing laws are imperative.

Committee staff interviewed a number of individuals who over the past fifteen years have abetted their livelihood by renting equipment to PennDOT District 12-5 for various purposes including snow removal, highway grading and other tasks requiring equipment beyond the resources of the department. Of those interviewed - and the number is far from exhaustive of all those who have contracted during this period with District 12-5 - a high percentage reported that since 1971 they have been importuned by local PennDOT officials to share a portion of their earnings with the Democratic Party.

In some instances, the equipment lessors reported experiencing only the subtle pressure to make political "donations" that derives from the fact that the request

for a donation originates with an official who holds the authority to award or withhold job assignments. In a significant number of instances, however, lessors testified that certain PennDOT officials extracted political contributions by express threats to cut off income-producing jobs. The latter class of cases, at least, merits the attention of prosecutorial agencies as the testimony in these cases, if true, indicates the commission of the crimes of common law extortion, blackmail, and violation of the Pennsylvania Anti-Macing Act.

That the testimony of the lessors heard by the Committee is, in general, worthy of being believed, seems clear from the fact that unlike those officials who were accused of wrongdoing, the lessors were free of any apparent motive to falsify or contrive. Indeed, it must be reckoned that a lessor who would publicly accuse a PennDOT official of criminal behavior could expect no reward other than the certain prospect of being denied any further employment under the current administration. Considered, therefore, strictly in terms of motivation, and without regard to demeanor or the quantum of corroborative evidence, the testimony provided the Committee by the lessors must be weighed, in general, as eminently credible. Accusations which are uttered against the economic interest of the accuser are uniquely trustworthy and deserving of the most serious consideration.

Without drawing or implying any ultimate conclusion as to the guilt or innocence of any party, it is the Committee's considered belief that certain cases developed by the Committee should be reviewed for possible criminal prosecution. In these cases, the testimony of witnesses makes out a prima facie case of wrongdoing,

the testimony appears credible for the reasons discussed above, and the testimony is supported by some corroborative evidence. No doubt further investigation of these and other cases is warranted. All of the information and evidence relevant to these cases in the Committee's possession will be made available to prosecuting authorities.

Based upon a review of all the evidence gathered by the Committee, criminal prosecutions should be considered in the following cases:

1. Mario Bedise.

In the fall of 1972, while serving as Assistant Superintendent of Maintenance, PennDOT District 12-5, Bedise is alleged to have arranged a meeting with equipment lessor Albert Tokarcik, Jr. At that meeting, Bedise allegedly told Tokarcik that his contract to lease equipment to PennDOT would not be renewed unless he purchased tickets to a Democratic Party function. In testimony before the Committee, Bedise admitted that he arranged and attended the meeting in question and that he sold dinner tickets to Tokarcik on that occasion. He denied, however, the use of threatening or coercive tactics to secure the sale. Tokarcik first reported the alleged shakedown by Bedise to Pennsylvania Department of Justice investigators in November 1973. He also mentioned the incident to a friend, one Floyd Overly, who confirms that Tokarcik told him of the threats by Bedise to gain contributions.

Possible charges against Bidese include violation of the Anti-Macing Act, common law extortion, blackmail, false swearing and malfeasance in office.

2. Mario Bidese.

In the spring of 1972, Bidese paid a visit to the home of Joseph Sosko. In Sosko's kitchen, Bidese showed him a piece of paper. On this paper was the amount which Sosko had earned from the state, approximately \$4,000.00. Bidese informed Sosko that he owed a figure which represented about 10% of Sosko's earnings from the state. Sosko and Bidese argued for awhile after which Sosko gave Bidese a check for \$210.00. Sosko's wife was present during the entire proceedings.

Possible charges against Bidese include violation of the Anti-Macing Act, common law extortion, blackmail, and malfeasance in office.

3. Mario Bidese.

In the fall of 1972, Bidese paid a visit to the home of Floyd A. Overly who had been leasing a highway grader and salt spreader to PennDOT since 1969. Bidese informed Overly that to have his lease renewed, he, Overly, would have to buy tickets to Democratic Party dinners. Overly thereupon wrote a check for \$50 which he gave to Bidese. In April 1973, Bidese again approached Overly with a demand that he purchase additional dinner tickets if he wanted to continue

leasing his equipment. Overly this time refused to purchase any tickets. He was given no further work by District 12-5.

Again Bidese admits to selling dinner tickets to Overly but denies that his sales tactics included extortion. Overly's testimony before the Committee repeated what he had previously told investigators from the Department of Justice and the Westmoreland County District Attorney's Office.

Possible charges against Bidese include violation of the Anti-Macing Act, common law extortion, blackmail, false swearing and malfeasance in office.

4. Ralph Buffone
Maylan Yackovich.

In April 1971, Buffone occupied the position of chief assistant to District 12-5 superintendent Egidio Cerilli. According to Walter Seigfried, a lessor of equipment to the Commonwealth for many years, Buffone telephoned him in April 1971 and invited Seigfried to a meeting in Buffone's office in Greensburg. At that meeting, Buffone informed Seigfried that he, Buffone, was the "hatchetman" and that Seigfried owed the Democratic Party three percent of his prior year's earnings in Westmoreland County amounting to \$750. Seigfried balked at the figure believing that \$750 represented in excess of three percent of his earnings in Westmoreland County.

Seigfried returned home, made his own computations, and decided that his "indebtedness" came to \$525. He telephoned Maylan Yackovich, an assistant superintendent, and asked Yackovich to review the figures with him. Yackovich met with Seigfried and agreed that \$525 was the amount owed by Seigfried who gave Yackovich a check in that amount dated May 3, 1971.

Seigfried related the entire transaction to his wife who confirms her husband's account to the Committee.

Buffone and Yackovich declined to testify before the Committee invoking their privilege against self-incrimination.

Possible charges against Buffone and Yackovich include violation of the Anti-Macing Act, common law extortion, blackmail, malfeasance in office, and conspiracy.

5. Ralph Buffone.

William Ramaley has leased equipment to the State since 1954 and, in common with virtually all of the lessors who testified before the Committee, has customarily donated small amounts of money or purchased dinner tickets on a voluntary basis for the benefit of the political party in power. In April 1971, however, Ramaley was introduced to Ralph Buffone by C.C. (Doc) Hall, assistant superintendent of PennDOT District 12-5 and treasurer of the Westmoreland County Democratic Party. Buffone discussed with Ramaley the latter's hours

and earnings for PennDOT during the preceding year and then requested a contribution of \$700 which allegedly constituted approximately five percent of Ramaley's PennDOT earnings. Ramaley delivered a check for \$700 payable to the Westmoreland County Democratic Party on April 30, 1971, to the PennDOT office in Greensburg. Prior to delivering the check, Ramaley discussed the incident involving Buffone with Peter Paulisik who confirms Ramaley's testimony so far as he is able.

Buffone declined to testify before the Committee invoking his privilege against self-incrimination.

Possible charges against Buffone include violation of the Anti-Macing Act, common law extortion, blackmail, and malfeasance in office.

6. Maylan Yackovich.

In April 1972, C.C. Hall arranged a meeting between William Ramaley and Yackovich at the Greensburg office. At that meeting, Yackovich stated that in the future PennDOT work was to be assigned to only those lessors who made contributions to the Democratic Party. Ramaley was asked by Yackovich to contribute five percent of his previous year's earnings which would have meant between \$150 to \$175. Ramaley declined to make a contribution on these terms.

Yackovich declined to testify before the Committee invoking his privilege

against self-incrimination.

Possible charges against Yackovich include violation of the Anti-Macing Act, common law extortion, blackmail, and malfeasance in office.

7. Maylan Yackovich
Ralph Buffone.

Thomas and Wilemma Altman had leased equipment to the Commonwealth from 1966 to April 1972 without being subjected to demands for political contributions. On April 6, 1972, however, upon being informed that their truck was being laid off by PennDOT, the Altmans traveled to the Greensburg office where they met with Assistant Superintendent Yackovich. Yackovich allegedly told the couple that the use of their truck was being discontinued because their contribution of \$200 to the Democratic "Campaign 72" Committee had not been adequate. The Altmans agreed to increase their donation but pleaded for additional time to raise the necessary funds. Yackovich said he would allow them a month to produce the money and, in the Altmans presence, telephoned an unidentified party and directed that the Altmans truck be continued in use. The Altmans eventually raised two hundred additional dollars which was paid by check to the Westmoreland County Democratic Party on May 8, 1972.

Either before or after the April 6th meeting with Yackovich the Altmans met with Ralph Buffone in the latter's office. The Altmans allege that in their presence Buffone consulted a ledger book and informed the

couple that they were required to pay a certain percentage of their PennDOT earnings in Westmoreland County to the Democratic Party. It was subsequent to this directive that the Altmans made the \$200 "contribution" discussed above.

The integrity of the Altmans testimony tends to be supported by the fact that each of the Altmans corroborates the other and by the fact that the couple earlier made statements to Westmoreland County District Attorney's investigators which were consistent with their testimony before the Committee. Further investigation is necessary to pinpoint the relationship, if any, between the activities of Yackovich and Buffone and the contributions demanded from the Altmans.

Possible charges against Yackovich and Buffone include violation of the Anti-Macing Act, common law extortion, blackmail, conspiracy, and malfeasance in office.

8. Ralph Buffone.

Anthony J. Caletri began leasing equipment to PennDOT in the winter of 1968-69. He was untroubled by demands for political contributions until the spring of 1971. At that time he met with Buffone in the latter's Greensburg office. Buffone allegedly told Caletri that he wanted a \$100 contribution to the Democratic Party explaining that this figure was based upon a percentage of the lessor's gross PennDOT earnings in the preceding year. When Caletri balked at the demand, Buffone suggested that Caletri might receive an increase in the hourly rental

rate for his equipment were his equipment to be leased in the coming year. This combination of threat and inducement led Caletri to write a check to the Democratic Worker's Committee in the amount of \$100 which he gave to Buffone.

Caletri's accusation against Buffone tends to be corroborated by the testimony of other lessors describing similar fund raising practices of Buffone in the spring of 1971. Thus Earl Keibler testified that in April 1971, Buffone advised him that it was election time and that Keibler should donate \$837 to the Democratic Party which appeared to represent a percentage of Keibler's earnings as a lessor in Westmoreland County. Joseph A. Morgan, Larry Rupnik, Peter Paulisick and Don Pfeifer told of making ticket purchases or contributions to Buffone under similar circumstances. At the time of these demands, many of these lessors discussed the matter with each other, thus providing, for purposes of prosecution, prior consistent statements to strengthen and corroborate the credibility of their testimony. Buffone himself declined to testify, invoking his privilege against self-incrimination.

On the other hand, Caletri denied to Justice Department investigators that he was ever victimized by macing tactics on the part of PennDOT employees. It should also be mentioned that according to Caletri, Buffone offered Caletri a contract to lease equipment in 1973 without exacting a political contribution in return. Caletri declined the offer rather than continue to do business with PennDOT on the former

terms. (Under PennDOT procedures, a contract to lease equipment did not and does not guarantee the lessor employment as he must still be called upon by PennDOT officials to furnish the equipment which he has agreed to make available.)

Possible charges against Buffone include violation of the Anti-Macing Act, common law extortion, blackmail, and malfeasance in office.

9. Egidio Cerilli.

James C. Poole related in a statement given to investigators, and in testimony before the Committee, that in late March or early April 1972, Egidio Cerilli, who was then the Superintendent of PennDOT District 12-5, asked him for \$2,000 in cash. By Cerilli's words and actions, and particularly his insistence that the money be paid in cash, Poole understood that the money was for the use of the Democratic Party and that its payment was a prerequisite for Poole's continued employment by PennDOT as a lessor of highway equipment. According to Poole, Cerilli informed him that all equipment lessors were being required to kickback to the Democratic Party a percentage of their PennDOT earnings. Poole found Cerilli's demand exceptional in that he had been leasing equipment to the Commonwealth for a period of approximately eight years without being subjected to any comparable pressure to support the party in power.

Made by Cerilli to believe that his future income with PennDOT depended on his "donating" the \$2,000. Poole had his daughter Judith who served as his bookkeeper write a check dated April 12, 1972 and payable to "cash" in the amount of \$2,000. He cashed the check on April 17, 1972, at the Commercial National Bank, Pleasant Unity, Pennsylvania where the transaction was handled, according to Poole, by Mrs. Theresa Rohaly, a bank teller. Poole testified further that at the time of cashing the check (a copy of which has been provided the Committee), he specifically complained to Mrs. Rohaly that he needed the \$2,000 to pay a kickback.

In the early evening of the same day on which he cashed the check, Poole drove to the home of Cerilli in Greensburg accompanied by Simone Tantillo, a driver employed by Poole. Upon arriving at Cerilli's home, Poole handed Cerilli the \$2,000. in cash in the presence of Maylan Yackovich Cerilli immediately pocketed the money without counting it, but Poole overheard him tell Yackovich that the money was for the "State Committee." Without any discussion of the payment, Poole and Tantillo left after a short time.

In November 1972, Cerilli allegedly repeated his demand for a cash contribution from James C. Poole, on this occasion for \$1,000. Again Poole directed his daughter to write a check to cash for the specified amount whereupon he cashed the check and gave the proceeds to

Cerilli. No witnesses were present at the time the \$1,000. was paid so far as Poole recalls. (A check dated November 21, 1972, payable to "cash," in the amount of \$1,000. and signed by Judith Poole has been provided to the Committee).

A review of Poole's cancelled checks for the year 1972 shows that apart from the two checks which were allegedly cashed to pay Egidio Cerilli, none of Poole's checks which were made payable either to himself or to "cash" began to approach \$1,000. and, indeed, only one, and that in the amount of \$521.86, exceeded three hundred dollars. Poole's daughter, Judith Poole Turriziani, gave Committee investigators a written statement in which she confirmed her father's account that within weeks of making the payment to Cerilli, her father informed her that the money was paid over to Cerilli for political kickbacks. The bank teller, Theresa Rohaly testified before the Committee to recalling not only the transaction involving the cashing of the \$2,000 check but also Poole's remarks that the money was intended for a political kickback. She was unable to recall with specificity the date of the transaction or when Poole uttered his explanation as to the purpose of obtaining the funds. Simone Tantillo further corroborates Poole's account to the extent of testifying that at the time in question he witnessed Poole emerge from the bank with a quantity of cash and that he thereafter, that same day, drove Poole to Cerilli's home. He did not see Poole transmit the cash to Cerilli nor did he overhear any conversation relative to a payment of money to Cerilli. Tantillo testified further that

he had no memory of Poole telling him that he wanted him to be present to witness the payment of a political kickback.

Cerilli himself testified before the Committee and categorically denied any involvement in the events recounted by Poole. He stated that at no time during his service as Superintendent did he have any contact with any lessor with respect to political fund raising matters. He allowed that in light of his personal friendship with Poole over the years, that it was possible that Poole had come to his home with Tantillo at about the time in question. Apart from Cerilli's emphatic denial, and the minor discrepancies between Poole's and Tantillo's testimony, other factors detracting from the force of Poole's allegations include the fact that in an unsworn May 1973 statement to Justice Department investigators, Poole denied ever having been coerced into making political contributions. In addition, Poole is presently the defendant in an action brought by the State to recover some \$3,000 paid to Poole as a result of the alleged overrating of his equipment. This possible motive to lie or bias tends to be offset, however, by the fact that Cerilli and Poole agree that the two have in fact been friends for some period and that Poole's potential liability for falsely libelling Cerilli certainly exceeds \$3,000.

Dean Sheaffer, former Director of the Bureau of Investigations, Pennsylvania Department of Justice, and the man who directed the Attorney General's investigation in Westmoreland County, testified

before this Committee. Sheaffer stated that he was not surprised that Poole did not disclose his payments to Cerilli during his initial interview with Justice agents. Sheaffer admitted that his agents had no specific information at that time with which to confront Poole. Poole was not under oath and did not provide a signed statement.

Sheaffer testified that witnesses are frequently reluctant to initially cooperate with law enforcement authorities, particularly when there is no specific information available to demonstrate their knowledge of illegal activities. Later, as the investigation progresses and specific information is developed, these witnesses realize that further evasion is futile and, albeit reluctantly, cooperate with those conducting the investigation.

Sheaffer also stated that he was present when Poole testified before this committee as to his payments to Cerilli and felt that Poole was definitely telling the truth.

In light of Cerilli's prominence in State government and the seriousness of the accusations, Poole was subjected to a polygraph examination dealing with his allegations against Cerilli. Both his willingness to take the test and the fact that the results indicated no deception on his part tend to credit the accusations, although neither provides conclusive or even admissible proof. Mr. Cerilli declined a similar opportunity afforded by the Committee.

Possible charges against Cerilli based upon the Poole charges include violation of the Anti-Macing Act, common law extortion, blackmail, false swearing and malfeasance in office.

In addition, Cerilli's express testimony that at no time during the period of his superintendency did he have any contact with equipment lessors relative to political contributions stands contradicted not only by Poole but also by Anthony J. Caletri. Caletri told the Committee that in the spring of 1972, an unidentified PennDOT employee asked him for a campaign contribution of \$125. Because Caletri believed that his previous year's net earnings from PennDOT were well below that figure, he raised an objection with assistant superintendent Maylan Yackovich. Yackovich in turn referred the matter to Cerilli who allegedly informed Caletri that he would only have to pay \$75. Caletri did give Yackovich a check dated April 24, 1972, in the amount of \$75.

Caletri's testimony coupled with that of Poole, provides a basis for a charge that Egidio Cerilli committed perjury when he testified as follows before the Committee:

"Question: In addition, you yourself never personally had any contact with any lessors for the purpose of discussing the sale of tickets or political contributions.

Answer: That is correct."

(Transcript of Hearing of House Select Committee on State Contract Practices, September 4, 1974, p.65).

James L. Brown

From 1962 until the present, James L. Brown has leased equipment to PennDOT. During the nine years Brown leased under Republican administrations, he contributed a total of \$460.00 to the Republican party.

In two and a half years of leasing under the present administration, however,--from April of 1971 until October of 1973--Brown has contributed almost \$5,000.00 to the Democratic party. His generosity did not go unrewarded. During the same two and one half years, Brown's income from the Commonwealth tripled. His earnings from the State amounted to more than \$300,000.00, making him by far the most successful lessor in Westmoreland County.

Brown's remarkable success may well be in part attributable to his close friendship with Maylan Yackovich, a former PennDOT assistant superintendent and business partner of Egidio Cerilli. During testimony before this committee, Brown admitted to a long standing friendship with Yackovich. When Brown was temporarily suspended from leasing to PennDOT due to the investigation of the Auditor General and Attorney General, these two individuals were given positions with PennDOT.

During the joint investigation of the Auditor General and Attorney General an audit of Brown was conducted by a PennDOT auditor assigned to the Department of Justice. This audit revealed that during a six month period in 1972, Brown was paid for 104 work days for work which was, in fact, not performed.

This audit tended to confirm statements given to state investigators

by PennDOT employees and at least one foreman. These statements contained allegations that Brown, at the express order of Yackovich, was to be treated as a favored lessor and was to be paid on a continual basis even if Brown's equipment was not utilized.

Based on the above, both the Attorney General and the Auditor General recommended that James L. Brown be indicted for fraud. The District Attorney of Westmoreland County declined to prosecute Brown on the grounds that the civil action by PennDOT was sufficient. This committee rejects such an assertion. It is clear that the overpayments to Brown were willful, designed to benefit a generous contributor to the Democratic party and friend of Maylan Yackovich.

This committee agrees with the opinion of Attorney General and Auditor General that Brown should be prosecuted for his actions. It is recommended that full audit be conducted from 1971 until the present concerning all of Brown's state contracts. A current review of Brown's payroll sheets seems to indicate that the names of several PennDOT foremen signing these forms have been forged. Handwriting samples of all foremen using Brown's equipment should be obtained as well as a handwriting sample from Brown.

It is this committee's opinion that such an extensive investigation, which logically should be performed by the Office of the Attorney General, will reveal a pattern of widespread fraud on the part of James L. Brown and numerous past and/or present PennDOT employees and officials. Pending the outcome of that investigation, it is strongly recommended that James L. Brown be suspended from leasing equipment to the Commonwealth.