

PATRICK A. GLEASON  
CHAIRMAN



OFFICE OF SPECIAL COUNSEL

HOUSE OF REPRESENTATIVES  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

SELECT COMMITTEE ON STATE CONTRACT PRACTICES

September 11, 1974

Honorable Israel Packel  
Attorney General  
Commonwealth of Pennsylvania  
Department of Justice Building  
Capital Annex - Old Museum Building  
Harrisburg, Pennsylvania

Dear General Packel:

The Committee finds it necessary to request that you make available to it the following:

- (a) Any opinions, advisory or formal, which you have rendered as Attorney General concerning cable television or any related matters.
- (b) Any investigative files and/or reports prepared by your Department concerning allegations that Donald Altoff and/or Roger Fischer initiated or participated in an operation designed to generate payments of money from individuals and/or corporations leasing property to the State in Erie County; one of the chief complainants in this case was J. Robert Baldwin.

Very truly yours,

A handwritten signature in cursive script that reads "Patrick A. Gleason".

Patrick A. Gleason  
Chairman

PAG:nlr

PATRICK A. GLEASON, MEMBER  
636 MAIN STREET  
JOHNSTOWN, PENNSYLVANIA 15901



COMMITTEES

GAME AND FISHERIES  
MILITARY AND VETERANS AFFAIRS

HOUSE OF REPRESENTATIVES  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

June 25, 1973

Honorable Israel Packel  
Attorney General  
Justice Department  
Main Capitol Annex  
Harrisburg, Pennsylvania 17120

Dear General Packel:

I am writing to demonstrate my support for the recently expressed interest in election reform by the Administration. I have sponsored H.B. 746, which the Administration has adopted as its own, despite the Governor's statement that 746 has unnamed "loopholes". The Governor has indicated he will submit amendments to correct these "loopholes".

However, there is one area in particular in which I had difficulties in drafting adequate language and which the Administration appears to have overlooked altogether. I speak of the possible defects in our statute intended to prohibit loans to political candidates from corporations and/or banks.

This law is intended to minimize the potential influence of powerful corporate and banking interests on elected public officials specifically, and to prohibit corruption of the election process.

I will cite a disturbing factual illustration which raises the possibility there may be a gaping loophole in 25 P.S. 3225 which is intended to prevent such corruption.

The Shapp for Governor Committee of 1970 received a total of \$750,000 in loans from the Fidelity Bank to fuel their campaign for the Democratic gubernatorial nomination against Auditor General Robert P. Casey.

The loans the Primary Committee received from the Fidelity Bank break down as follows:

March 24, 1970	\$ 50,000
April 6, 1970	\$ 50,000
April 14, 1970	\$100,000
April 29, 1973	\$150,000
May 4, 1970	\$ 50,000
May 7, 1970	\$100,000
May 11, 1970	\$150,000
May 14, 1970	\$ 50,000
May 15, 1970	\$ 50,000
<u>TOTAL</u>	<u>\$750,000</u>

It is apparent that the decisive factor in Mr. Shapp's narrow primary victory over Mr. Casey was the infusion of \$750,000 of bank money into politics. But for these loans of questionable legality, it is entirely probable that Robert P. Casey would be Governor of Pennsylvania today. The Bank money, in effect, altered the future of an entire state.

Loans from banking interest also had a dominant role in the general election gubernatorial campaign against Raymond Broderick.

The Shapp for Governor Committee received a loan of \$75,000 from Fidelity Bank and \$300,000 from Continental bank. In addition, the Shapp-Kline Committee received a total of \$550,000 from the Continental Bank. These loans break down as follows:

	(Fidelity) June 12, 1970	\$ 75,000
	(Continental) August 5, 1970	\$ 50,000
	" August 14, 1970	\$ 50,000
<u>Shapp for Governor</u>	" September 8, 1970	\$100,000
<u>Shapp - Kline</u>	(Continental) October 9, 1970	\$300,000
	October 23, 1970	\$ 75,000
	October 29, 1970	\$125,000
	October 30, 1970	\$ 50,000

Fidelity Bank and Continental Bank appear to have loaned for political purposes a cumulative total of \$1,675,000 to the Governor's primary and general election campaigns for Governor in 1970.

Pennsylvania law, at least in its intent, appears to forbid, without qualification, corporations from making any gifts or loans to any political committee or candidate. The Act of June 3, 1967 P.L. 1333, Art. XVI, Section 1605 as amended June 3, 1943, P.L. 851, Section 1: (25 P.S. 3225).

Honorable Israel Packel

June 25, 1973

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(b) No corporation or unincorporated association or officer or agent thereof, whether incorporated or organized under the laws of this or any other state or any foreign country, except those formed primarily for political purposes or a political committee, shall pay, give or lend or authorize to be paid, given or lent, either directly or indirectly or through any other person, any money or other valuable thing belonging to such corporation or unincorporated association or in its custody or control, to any candidate or political committee for the payment of any primary or election expenses whatever. (emphasis supplied)

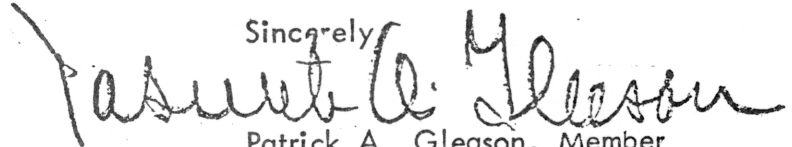
You, as Governor Shapp's personal lawyer during the 1970 campaign, could significantly contribute to our mutual desire for election reform by informing me and the public how you maneuvered the Governor's campaign around the apparently flat statutory prohibition against such bank loans. Our House legal staff, to date, has failed to uncover the loophole in existing law.

As you know, the Watergate incident with its shady campaign fund raising activities and laundered dollars has heightened public concern over the purity of the electoral process. Remedial legislation is needed at both the federal and the state level.

I would appreciate it if you could provide me with information on this loophole, which frustrates the expressed statutory intent, in order that I might prepare appropriate corrective legislation. In this vein it is my intention to press for public hearings on legislation to correct such abuses in our election process.

I urge your cooperation and assistance to remedy this situation.

Sincerely,



Patrick A. Gleason, Member  
House of Representatives

PAG/sbm

bcc: Craig Truax