

STATEMENT BY JAMES CRAIG BEFORE THE HOUSE SELECT COMMITTEE  
ON STATE CONTRACT PRACTICES, OCTOBER 11, 1974.

MR. CHAIRMAN, I WANT TO THANK YOU FOR THE OPPORTUNITY  
TO READ A BRIEF STATEMENT INTO THE RECORD OF THESE PROCEEDINGS.

MY NAME IS JAMES CRAIG. I AM HERE VOLUNTARILY AND NOT IN  
RESPONSE TO A SUBPOENA.

I AM A CERTIFIED PUBLIC ACCOUNTANT AND AM EMPLOYED AS  
CHIEF OF THE SECURITIES DIVISION OF THE PENNSYLVANIA SECURITIES  
COMMISSION.

WHEN GOVERNOR SHAPP WAS RUNNING FOR ELECTION IN 1970 I  
SERVED AS CHIEF ACCOUNTANT DURING BOTH THE PRIMARY AND GENERAL  
ELECTION CAMPAIGNS.

A FEW WEEKS AFTER GOVERNOR SHAPP WAS ELECTED, I BECAME  
TREASURER OF ALL OF THE GOVERNOR'S EXISTING COMPAIGN COMMITTEES.

WHEN PENNSYLVANIANS FOR PROGRESS WAS FORMED FOR POST  
ELECTION FUND RAISING, I BECAME TREASURER OF IT.

MY RESPONSIBILITIES INCLUDED KEEPING DETAILED RECORDS  
OF ALL MONIES RECEIVED AND EXPENDED BY THE COMMITTEES AND  
SUPERVISING THE RECORD KEEPING CONTROLS TO INSURE THAT RECEIPTS  
AND DISBURSEMENTS WERE PROPERLY MADE.

BASICALLY MY ROLE CONSISTED OF SUPERVISING THE FOLLOWING  
ACTIVITIES:

(1) RECEIVING FUNDS FROM THOSE COORDINATING THE FUND-RAISING.

(2) SCREENING CHECKS TO INSURE THAT NONE, ON THEIR FACE CAME FROM CORPORATIONS OR UNION NONVOLUNTARY FUNDS.

(3) RECORDING THE AMOUNTS OF CONTRIBUTIONS

(4) DEPOSITING FUNDS

(5) MAKING DISBURSEMENTS TO CREDITORS AND OTHERS OWED MONEY, AND PAYING CREDITORS OF THE OTHER COMMITTEES EITHER DIRECTLY OR BY A TRANSFER OF FUNDS TO ENABLE THE OTHER COMMITTEES TO PAY THEM.

IN SHORT, I WAS A RECORD-KEEPER. I HAVE NO DIRECT KNOWLEDGE OF HOW FUNDS WERE RAISED OR, IN MOST CASES, WHO THE CONTRIBUTORS WERE.

TO THE BEST OF MY KNOWLEDGE, YOUR COMMITTEE HAS THE COMPLETE FILE ON PENNSYLVANIANS FOR PROGRESS, INCLUDING EVERY DEPOSIT SLIP, EVERY LISTING OF CONTRIBUTIONS, EVERY BANK STATEMENT, EVERY CHECK, AND EVERY SUMMARY SHEET THAT PASSED THROUGH MY HANDS.

A SUMMARY SHEET HAS BEEN CONSTRUCTED SHOWING THE RECEIPTS, DISBURSEMENTS, AND TRANSFERS FOR THE COMMITTEES WHOSE RECORDS I KEPT.

I WANT TO EMPHASIZE, HOWEVER, THAT THAT SHEET WHICH WAS PROVIDED TO YOU LAST WEEK, IS A RECONSTRUCTION AND SYNTHESIS OF THE INFORMATION CONTAINED ON THE ORIGINAL RECORDS.

AT THE TIME I WORKED ACTIVELY ON THESE ACCOUNTS, I USED THE FORMS REQUIRED BY THE ELECTION CODE TO RECORD THE CONTRIBUTIONS AND DISBURSEMENTS, EVEN THOUGH IT WAS NOT REQUIRED.

THESE VOLUMINOUS RECORDS ARE NOW FROM TWO TO FOUR YEARS OLD AND I HAVE WORKED ON MANY OTHER MATTERS SINCE. WHILE I WILL ATTEMPT TO BE AS HELPFUL TO THIS COMMITTEE AS POSSIBLE, I OBVIOUSLY CANNOT GUARANTEE THAT I WILL HAVE ALL THE ANSWERS ABOUT SELECTED PORTIONS OF THE FILES AT MY FINGERTIPS.

ALTHOUGH FRANKLY AT A LOSS TO UNDERSTAND THE RELEVANCE OF MY TESTIMONY TO STATE CONTRACT PRACTICES, I AM HERE TODAY IN GOOD FAITH TO ANSWER YOUR QUESTIONS ABOUT THE RECORD-KEEPING I PERFORMED FOR GOVERNOR SHAPP'S FUND RAISING COMMITTEES.

MR. CHAIRMAN, THANK YOU FOR YOUR KIND ATTENTION.

GENTLEMEN, I AM READY FOR YOUR QUESTIONS.