



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

September 3, 1974

MEMO

SUBJECT: Bankcon

TO: All Committee Members and Staff

FROM: William R. Powell
Special Assistant to the Majority

A handwritten signature in cursive script, appearing to read "WR Powell", written over the printed name of the sender.

The enclosed is a copy of Special Counsel's files containing information from the Fidelity, Continental and Industrial Banks obtained via letter and subpoena concerning loans to Shapp/Kline campaign committees. It carries the case designating Bankcon and Chairman Gleason has asked me to have it forwarded to you this date.

MASTER FILE #1:

	<u>DATE</u>	<u>TO</u>	<u>FROM</u>
LETTER	August 23, 1974	Stephen F. Freind	Jerome R. Richter
LETTER	August 22, 1974	Stephen F. Freind	Marvin Comisky
LETTER	August 16, 1974	Stephen F. Friend	Robert C. Ozer
LETTER	August 8, 1974	Stephen F. Freind	Robert C. Ozer
LETTER	July 29, 1974	Arthur B. Konow	J. Michael Willmann & Stephen F. Freind
LETTER	July 24, 1974	James Craig	G. P. Beaumont
LETTER	July 3, 1974	Select Committee on State Contract Practices	Walter A. Boquist
LETTER	June 27, 1974	Edward J. Ryan	Ralph M. Fratkin
LETTER	June 24, 1974	Select Committee on State Contract Practices	Walter A. Boquist
BANK STATEMENT	June 24, 1974	Shapp/Kline Campaign Committee	Continental Bank
BANK STATEMENT	June 24, 1974	Shapp for Governor Committee	Continental Bank
LETTER	June 19, 1974	Ralph Fratkin	Edward J. Ryan
LETTER	June 18, 1974	Arthur B. Konow	J. Michael Willmann & Stephen F. Freind
BANK LOAN AUTHORIZATION	June 12, 1974	Shapp For Governor Committee	Continental Bank

MASTER FILE #1:

	<u>DATE</u>	<u>TO</u>	<u>FROM</u>
LETTER	June 5, 1974	Stephen F. Freind	Arthur B. Konow
ASSIGNMENT OF DEPOSIT ACCOUNT	June 3, 1974	Shapp/Kline Campaign Committee (#348477)	Continental Bank
ASSIGNMENT OF DEPOSIT ACCOUNT	June 3, 1974	Shapp For Governor Committee (#348478)	Continental Bank
ASSIGNMENT OF DEPOSIT ACCOUNT	June 3, 1974	Shapp For Governor Committee (#348479)	Continental Bank
INTER-OFFICE MEMORANDUM	May 30, 1974	Arthur B. Konow	Theodore Kling, Jr.
INTER-OFFICE MEMORANDUM	May 30, 1974	Arthur B. Konow	R. T. Short
LETTER	May 29, 1974	Arthur B. Konow	Stephen F. Freind
LETTER	May 15, 1974	Russell Fitzgerald	Stephen F. Freind, Frederick L. Voigt & J, Michael Willmann
BANK STATEMENT	May 7, 1974	Shapp For Governor Committee	Continental Bank
BANK STATEMENT	May 7, 1974	Shapp/Kline Campaign Committee	Continental Bank
INTER-OFFICE MEMORANDUM	May 5, 1974	Credit Department #1	G. P. Beaumont
LETTER	May 2, 1974	Edward J. Ryan	Ralph M. Fratkin
LETTER	April 5, 1974	Ralph M. Fratkin	Edward J. Ryan

MASTER FILE #1:

	<u>DATE</u>	<u>TO</u>	<u>FROM</u>
LETTER	April 1, 1974	Edward J. Ryan	Ralph M. Fratkin
LETTER	March 5, 1974	Ralph M. Fratkin	Edward J. Ryan
LETTER	March 5, 1974	Ralph M. Fratkin	Edward J. Ryan
LETTER	March 5, 1974	Edward J. Ryan	Ralph M. Fratkin
BANK STATEMENT	February 26, 1974	Shapp For Governor Committee	Continental Bank
BANK STATEMENT	February 26, 1974	Shapp/Kline Campaign Committee	Continental Bank
LETTER	February 8, 1974	Ralph M. Fratkin	Edward J. Ryan
INTER-OFFICE MEMORANDUM	January 25, 1974	Domenic Iezzi	Edward J. Ryan
LETTER	January 21, 1974	Ralph M. Fratkin	Edward J. Ryan



September 4, 1974

John Michael Willmann, Esq.
House of Representatives
Select Committee on State Contract Policies
Harrisburg, Pennsylvania

Dear Mr. Willmann:

In reply to your letter of August 20, 1974, we have reviewed all of our records and are unable to produce ledger cards for the 1966 Shapp Campaign loan. We have, in the past few years, converted loan records from ledger cards to computer and a great many of the ledger cards for paid off loans were destroyed, there being no business reason for keeping them. However, by going through the credit file, I believe I can reconstruct a substantial amount of the information in which you might be interested.

A loan authorization was approved on January 25, 1966, increasing a collateral loan then in the amount of \$121,000 for personal purposes, to \$171,000, the additional \$50,000 being for campaign purposes. This loan was increased, or in some instances separate loans were put on, at various times during the early months of 1966, so that \$251,000 of additional loans for campaign purposes were outstanding by May 23, 1966. These loans were secured at all times by marketable securities with a margin of 100%, that is to say, at the time the loans were put on, the outstanding principal never exceeded 50% of the then value of the pledged securities. These loans were paid off, but I cannot specify the date on which this took place. From the papers available to me in the loan authorization file, it would appear that they were paid off before March of 1967.

Sincerely,

FREDERICK C. N. LITTLETON

FCNL/kbp