

United States Department of Justice

PLEASE REFER TO  
INITIALS AND NUMBER

RLT:PB

UNITED STATES ATTORNEY  
WESTERN DISTRICT OF PENNSYLVANIA  
633 U. S. POST OFFICE & COURTHOUSE  
PITTSBURGH, PENNSYLVANIA 15219

October 4, 1974

Honorable Patrick A. Gleason, Chairman  
Select Committee on State Contract Practices  
Pennsylvania House of Representatives  
State Capitol  
Harrisburg, Pennsylvania 17120

Dear Representative Gleason:

In view of recent public commentary with respect to the conduct of this office offered by members of the Select Committee on State Contract Practices of the Pennsylvania House of Representatives, I am writing to you as Chairman to reiterate and, if necessary, further clarify the relationship between pending criminal investigations being carried out by this office and the legislative investigations being undertaken by your Committee.

You will recall that, at your request, Assistant United States Attorney Samuel J. Orr III and I met with you and Messrs. Freind, Willman and Voight of your staff in my office in Pittsburgh on the afternoon of April 10, 1974. At that time, I confirmed to you that we had already undertaken the investigation of a number of allegations referred to our office indicating patterns of illegal activity concerning the award of public contracts as related to political contributions at both the state and local levels in this Commonwealth.

You will further recall that Mr. Orr and I both made clear to you and your staff at the outset of our meeting that there was neither authority nor inclination on our part to share with you or your staff information developed during the course of investigations which we had going forward. We did, you will recall, seek your cooperation in furnishing to us material developed during your investigations so as to complement and supplement our own efforts.



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I think each person present at that meeting left with the distinct understanding that cooperation insofar as it involved the transmittal of information was, of necessity, to be strictly a "one way street."

To my knowledge, that relationship has ensued from that meeting to date. We appreciate the cooperation extended by your staff and trust you and they understand today, as you did in our earlier meeting, the impossibility of our sharing with you any information or evidence developed in the course of ongoing Federal criminal investigations.

Because two specific incidents have been seized upon by members of your Committee as involving alleged improprieties by members of my staff as well as the staff of your Committee, I take this opportunity to clarify the record in this regard.

I.

In May, 1973, the Office of Auditor General Robert P. Casey referred to us (see enclosed) allegations respecting the extortion of political contributions in the Erie, Pennsylvania area in connection with the leasing of space for state agencies there. At the same time this matter was referred to us, it was also forwarded, you will note, to the Pennsylvania Department of Justice to the attention of Attorney General Israel Packel. We referred the matter to the Federal Bureau of Investigation for a preliminary investigation to develop whether or not there appeared to be jurisdiction under the Federal criminal laws. In December, 1973, a determination was made by this office that such jurisdiction did not exist and the case was closed.

Shortly after our meeting in April of this year, Mr. Orr referred the allegations contained in the Auditor General's letter to members of your staff and made available to them the results of our preliminary investigation.

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This reference was made by Mr. Orr in view of the fact that our preliminary investigation had indicated no Federal jurisdiction and had, in fact, caused our file to be closed in the matter some six months earlier. This action was undertaken consistent with our general practice of sharing information with appropriate State agencies where we receive allegations which do not support prosecution under the Federal criminal laws. This practice is followed on a day-to-day basis with a variety of agencies throughout the Commonwealth of Pennsylvania and is, in fact, encouraged by the U. S. Department of Justice and Attorney General William Saxbe.

There was absolutely no impropriety in the transmittal of this information to a duly constituted State legislative committee, particularly since, as noted, it had originated by a reference to this office from a State agency and was, presumably, already under investigation by the Pennsylvania Department of Justice.

## II.

Reference has also been made to information furnished to representatives of the Select Committee to Review Regulation of Insurance in Pennsylvania by this office regarding a contract between Gulf Insurance Co. and the Commonwealth of Pennsylvania, Department of Property and Supplies. Because this matter is presently under active investigation, I am not at liberty to discuss the background and particulars of our investigation to date. I can inform you, however, that we subpoenaed from Gulf Insurance Co. certain documents relating to the insurance contract with the Commonwealth of Pennsylvania, which documents were thereafter sought by representatives of the Select Committee. Gulf Insurance Co. advised Mr. Otis W. Littleton, Executive Director of the Select Committee, that the documents were in our possession pursuant to the said subpoena. Upon inquiry to this office, Mr. Littleton

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was advised that we were not at liberty to make this material available to the Select Committee without specific authorization from the owner of the material. Shortly thereafter, a letter from Gulf Insurance Co. (see enclosed) was dispatched to Mr. Littleton authorizing us to make this material available to the Select Committee and, in short order, we did just that.

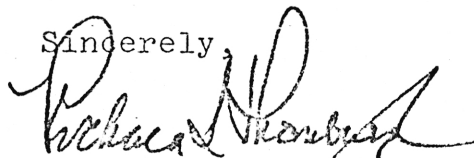
Again, the propriety of the action undertaken by this office was above reproach. There was no "leak" of grand jury material, as alleged, but rather an attempt, concurred in by the owner of the material, to expedite two concurrent investigations of the same transactions.

\* \* \*

In conclusion, may I express my regret at having to labor these matters. However, in view of the warped interpretation given our attempts to accommodate our respective mandates, I felt such was necessary. May I also extend again our thanks to the staff of your Committee for their cooperation with this office in the demanding task of searching out official corruption in this Commonwealth.

I will appreciate your making this letter available to the membership of your Committee for their better understanding and appreciation of the matters set forth herein.

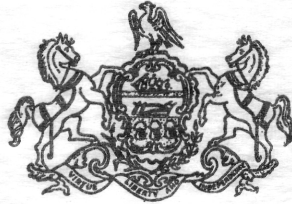
Sincerely,



RICHARD L. THORNBURGH  
United States Attorney

Enclosure

cc: Select Committee to Review  
Regulation of Insurance in  
Pennsylvania



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

June 4, 1974

Honorable Harry Englehart, Jr.  
Honorable James Manderino  
House of Representatives

Dear Harry and Jim:

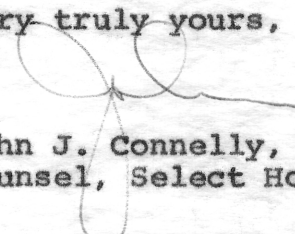
I am enclosing for your information a letter which I received on May 7, 1974 upon arrival at my office in the Main Capitol Building.

It is obvious from the first sentence that Mr. Friend was aware I was not in the office to receive the letter. In a phone conversation prior to this letter I informed him I would be out of town until May 7th. Certainly it would be Mr. Friend's responsibility to inform committee members of the trip to Westmoreland County since he was aware Minority Counsel would be unavailable.

As you can see by the content of the letter it is both a slam at my integrity as well as the minority members of the committee.

In the letter I was assured of frequent contact by staff with myself and members of the committee regarding the progress of the investigation. To date this has not materialized.

Very truly yours,

  
John J. Connelly, Jr.  
Counsel, Select House Committee

JJC:Jr./s

Enclosure



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

May 2, 1974

Mr. John J. Connelly, Jr. Esquire  
Minority Counsel, House Select Committee  
on State Contract Practices  
127 State Street  
Harrisburg, Pennsylvania

Dear John:

I have attempted to contact you personally several days ago, but was advised by your office that you were on vacation for the entire week.

As I advised you several weeks ago, we have obtained a copy of the entire investigative report from the office of the Attorney General concerning the investigation by that office of numerous alleged irregularities by employees of the Pennsylvania Department of Transportation in Westmoreland County. This file is presently located in our office, Room 288. I repeat my prior invitation for you or any minority member of the Committee to examine this file in our office at your convenience. If you wish to obtain copies of selected portions of this file, our administrative assistant, Miss Beverley Batchelder, will be glad to provide you with such copies. Should you desire to obtain a copy of the entire file, we feel it would be appropriate for you to provide personnel to accomplish this task. If you decide to take this latter course of action, our only request will be that some supervisory authority provided by the majority staff be present while the copying is undertaken so that we may be assured of the continuing integrity of the file.

In addition, majority counsel for the Committee are traveling to Westmoreland County on Monday, May 6, 1974, for the purpose of conducting interviews concerning the above mentioned irregularities. Although our inquiries into the PennDOT operations in Westmoreland County by no means comprise the extent of our Committee's investigations, we do envision being in that County on a frequent basis for a substantial period of time.

Your presence during our stay in Westmoreland County would be welcome. We intend to travel there by personal automobile on May 6th and will gladly afford you transportation with us.

We will, of course, be in frequent contact with you and the entire Committee to apprise you of the progress of our investigations.

John J. Connelly, Jr. Esquire  
May 2, 1974  
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**HOUSE OF REPRESENTATIVES**

If you have any questions concerning this or any other related matters, please do not  
hesitate to contact us as you have in the past.

COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

Sincerely,

Stephen F. Freund  
Special Counsel

SFF:bb

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