

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1372927-0

Total Deleted Page(s) = 28

- Page 66 ~ Duplicate;
- Page 74 ~ b5; b6; b7C;
- Page 83 ~ b6; b7C; b7E;
- Page 84 ~ b6; b7C; b7E;
- Page 85 ~ b6; b7C; b7E;
- Page 86 ~ b6; b7C; b7E;
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- Page 176 ~ b6; b7C;
- Page 177 ~ b6; b7C;
- Page 178 ~ b6; b7C;
- Page 179 ~ b6; b7C;

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X Deleted Page(s) X  
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ATTENTION

The following documents appearing in FBI files have been reviewed under the provisions of The Freedom of Information Act (FOIA) (Title 5, United States Code, Section 552); Privacy Act of 1974 (PA) (Title 5, United States Code, Section 552a); and/or Litigation.

FOIA/PA Litigation Executive Order Applied

Requester: _____
Subject: _____
Computer or Case Identification Number: _____
Title of Case: _____ Section _____
* File _____
Serials Reviewed: _____

Release Location: *File _____ Section _____

This file section has been scanned into the FOIPA Document Processing System (FDPS) prior to National Security Classification review. Please see the documents located in the FDPS for current classification action, if warranted. Director b6
inquires about the FDPS to RIDS Service Request Unit b7C

File Number: 184-110-4683 Section 2
Serial(s) Reviewed: AI

FOIPA Requester: _____
FOIPA Subject: _____
FOIPA Computer Number: 1034440

File Number: _____ Section _____
Serial(s) Reviewed: _____

FOIPA Requester: _____
FOIPA Subject: _____
FOIPA Computer Number: _____

File Number: _____ Section _____
Serial(s) Reviewed: _____

FOIPA Requester: _____
FOIPA Subject: _____
FOIPA Computer Number: _____

THIS FORM IS TO BE MAINTAINED AS THE TOP SERIAL OF THE FILE, BUT NOT SERIALIZED.

SCANNED BY DocLab (RMD)

DATE: 1/28/00

ATTENTION

DO NOT REMOVE FROM FILE

LAST SERIAL: 63

BH0008 0110130Z

RR HQ

DE PH

R 100130Z JAN 85

FM PHILADELPHIA (194-361) (HR) JAN 05 01 30

TO DIRECTOR ROUTINE

BT

U N C L A S

ATTENTION: ELSUR INDEX

R. BUDD DWYER; ET AL; HOBBS ACT-CORRUPT PUBLIC OFFICIALS,

OO: PHILADELPHIA.

CAPTIONED MATTER IS SCHEDULED TO GO TO TRIAL ON FEBRUARY 5, 1985. JURY SELECTION TO BEGIN JANUARY 14, 1985.

AUSA ASSIGNED THIS MATTER HAS REQUESTED THAT THE FOLLOWING POTENTIAL WITNESSES, BE SEARCHED THROUGH ELSUR:

ALAN ROGERS STONEMAN, JOHN R. TORQUATO, JR., WILLIAM T. SMITH.

IT IS NOTED PHILADELPHIA ELSUR HAS A REFERENCE TO [REDACTED]

[REDACTED] AT THIS TIME, IT IS NOT KNOWN IF THIS

[REDACTED] IS IDENTICAL TO POTENTIAL WITNESS.

REQUEST OF THE BUREAU: CONDUCT ELSUR CHECK ON ABOVE LISTED

NAMES.

BT

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	001/2
Ident.	
Inspection	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgnt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

RECEIVED
JAN 05 01 30
FEDERAL BUREAU OF INVESTIGATION

3
1/11/85

pp

Budd Dwyer

ROOM
TL 100

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b7c

[Handwritten signature]

1 cc PJA
1997
EW

Response by TT 1/11/85
EW

20 JAN 22 1985

SOX 001 216 0045 0.02

85
57 1997 1985

PHO 13 0540640Z 23 FEB 85

FEDERAL BUREAU OF INVESTIGATION

RR HI PG

DE PH

R 230640Z FEB 85

FM PHILADELPHIA (194C-361) (HRA) (P)

TO DIRECTOR, ROUTINE

QUANTICO ROUTINE

PITTSBURGH ROUTINE

BT

UNCLAS

Budd Dwyer

R. BUDD DWYER, TREASURER OF PENNSYLVANIA; ET AL; HOBBS ACT CONSPIRACY NIGHTAIL BRIBERY; MAIL FRAUD; OO:PHILADELPHIA

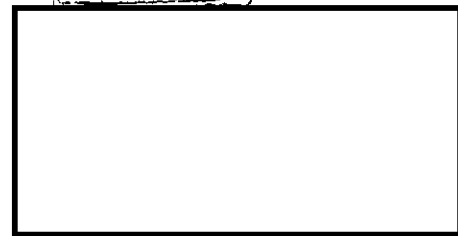
FOR THE INFORMATION OF THE BUREAU, SUBJECT HERBERT WAS SENTENCED TO ONE YEAR AND ONE DAY AND IS CURRENTLY INCARCERATED. SUBJECT D'AQUATO WAS SENTENCED TO FOUR YEARS IN CUSTODY AND IS TO BE SURRENDERED MARCH 11, 1985. SUBJECT ELLIS WAS SENTENCED TO TWO YEARS SURRENDERED AFTER SERVICE OF 30 DAYS TO COMMENCE MARCH 11, 1985.

TRIAL FOR REMAINING SUBJECTS WILL NOT BEGIN BEFORE MARCH 5, 1985, AND POSSIBLY NOT BEFORE MARCH 13, 1985. USA-MDPA INTENDS TO PROJECT THE CONTENTS OF COMPUTER FLOPPY DISKS ON P. V. MONITORS IN THE COURTROOM DURING TRIAL USING FBI COMPUTER EXPERTS FROM THE WHITE COLLAR

Exec. AD-Adm.	
Exec. AD-LES	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	<i>BRP</i>
Ident.	
Inspection	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

b6
b7C

BRP



PA

4
W

194/ 4693 - 26

FEB 26 1985

105
57 MAY 20 1985

PAGE TWO , PH 194C-361, UNCLAS

CRIME UNIT IN QUANTICO. THESE COMPUTER DISKS CONTAINED THE NAMES OF POLITICIANS THE SUBJECTS INTENDED TO BRIBE AND THESE WERE SEIZED IN THE SEARCH OF D'AQUATO'S RESIDENCE ON JULY 6, 194.

THIS INVESTIGATION IS BEING CONDUCTED IN TWO AND POSSIBLY THREE PHASES AND THE CURRENT TRIAL WILL CONCLUDE PHASE ONE WHICH WAS DIRECTED TOWARDS THE INDIVIDUALS OFFERING THE BRIBES. PHASE TWO WILL BEGAN AT THE COMPLETION OF CURRENT TRIAL AND WILL BE DIRECTED TOWARD THE PUBLIC OFFICIALS ACCEPTING OR AGREEING TO ACCEPT THE BRIBES. TO DATE, ALL THREE OF THE SUBJECTS WHO HAVE PLED GUILTY HAVE COOPERATED WITH THE GOVERNMENT AND WILL TESTIFY IN UPCOMING TRIALS.

PHILADELPHIA WILL ADVISE THE BUREAU OF FURTHER DEVELOPMENTS AS THEY OCCUR.

BT

Date **2/4/85**

TO: DIRECTOR, FBI
FROM: SAC, Philadelphia
SUBJECT: R. BUDD DWYER; ET. AL.;
HOBBES ACT;
CONSPIRACY; MF; ITAR -
BRIBERY (OO: PH)

Budd Dwyer

Bureau File Number
194-C-361
 Field Office File Number
4220

Investigative Assistance or Technique Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? No Yes - If Yes, rate each used as follows:
 1 = Used, but did not help
 2 = Helped, but only minimally
 3 = Helped, substantially
 4 = Absolutely essential

1. Acctg Tech Assistance	6. ELSUR - Title III	11. Lab. Div. Field Support	16. Show Money Usage
2. Aircraft Assistance	7. Hypnosis Assistance	12. Pen Registers	17. Surveil. Sqd Asst
3. Computer Assistance	8. Ident Div Assistance	13. Photographic Coverage	18. SWAT Team Action
4. Consensus Monitoring	9. Informant Information	14. Polygraph Assistance	19. Telephone Tc Records
5. ELSUR - FISC	10. Lab Div Exams	15. Search Warrs Executed	20. Undercover Operation
			21. Visual Invest Analysis (VIA)

X if a joint operation with another Federal, State or Local LE agency **
 X if case involves corruption of a public official (Federal, State or Local).

A. Preliminary Judicial Process (Number of subjects)	Complaints	Informations	Indictments	D. Recoveries, Restitutions, Court Ordered Forfeitures or Potential Economic Loss Prevented (PELP)				
				Property of PELP Type Code	Recoveries	Restitutions	Court Ordered Forfeitures	Potential Economic Loss Prevented
B. Arrests, Locates, Summonses & Subpoenas (No. of subjects)	Subject Priority (See Reverse)							
	A	B	C					
FBI Arrests								
FBI Locates								
Number of Subjects of FBI Arrests Who Physically Resisted _____								
Number of Subjects of FBI Arrests Who Were Armed _____								
Criminal Summonses _____	Subpoenas Served _____							
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)				E. Civil Matters		Government Defendant		Government Plaintiff
Hostages Held By Terrorists _____; All Other Hostage Situations _____				Amount of Suit				
Missing or Kidnapped Children Located _____				Settlement or Award				
								Enter AFA Payment Here

F. Final Judicial Process: Judicial District **MD** | **PA** District State Dates **1/29/85** | **1/29/85** Convictions (or Final Judicial Process) Date Sentence Date

Subject 1 - Name **DAVID I. HERBERT** Subject's Description Code* **6-10-7C-7E**

Pretrial
 Diversion
 Dismissal
 Acquittal

-Convictions-
 Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.

Felony
 Misdemeanor
 Plea
 Trial

Conviction		
Title	Section	Counts
18	371	1

Combined Sentence

In-Jail Term		Suspended		Probation		Total Fines
Yrs	Mos	Yrs	Mos	Yrs	Mos	
1	0					\$ 10,000

Consecutive Sentences - Add all consecutive sentences together.
 Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together.
 If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.

Subject 2 - Name _____ Subject's Description Code* _____

Pretrial
 Diversion
 Dismissal
 Acquittal

-Convictions-
 Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.

Felony
 Misdemeanor
 Plea
 Trial

Conviction		
Title	Section	Counts

Combined Sentence

In-Jail Term		Suspended		Probation		Total Fines
Yrs	Mos	Yrs	Mos	Yrs	Mos	
						\$

Consecutive Sentences - Add all consecutive sentences together.
 Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together.
 If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.

Subject 3 - Name _____ Subject's Description Code* **194-4683-27**

Pretrial
 Diversion
 Dismissal
 Acquittal

-Convictions-
 Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.

Felony
 Misdemeanor
 Plea
 Trial

Conviction		
Title	Section	Counts

Combined Sentence

In-Jail Term		Suspended		Probation		Total Fines
Yrs	Mos	Yrs	Mos	Yrs	Mos	
						\$

Consecutive Sentences - Add all consecutive sentences together.
 Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together.
 If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.

Attach additional forms if reporting final judicial process on more than three subjects, and submit a final disposition form (R-84) for each subject. **17 FEB 12 1985**

Remarks: On 11/9/84, subject Herbert entered a plea to one conspiracy (T. 18 USC, Section 371) count and agreed to cooperate with the Government. On 1/29/85, subject Herbert was sentenced by District Judge Malcolm Muir to one year in the custody of the Attorney General and fined \$10,000.

11 DEC 12 1985
 2 - Bureau
 2 - Field Office 1 - 194-C-361 (HRA) 1 - OSM 1 - HRA DFJ:kak (5)
 * See codes on reverse side. Subject description codes in Section F are required only when reporting a conviction.
 ** In joint operations, identify the other Federal, State or Local Law Enforcement (LE) agency in the Remarks Section.

Property Type Codes*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
10	Dangerous Drugs
11	Weapons or Explosives
12	Businesses or Assets Forfeited
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

APK - OK

*The case file must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*

- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Exec - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

All Others:

- 8A All Other Subjects (not fitting above categories)

Instructions

Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

Claiming Convictions Other Than Federal:

It is permissible to claim a local (state, county or local) conviction if the FBI's investigation significantly contributed to the successful local prosecution. A succinct narrative setting forth the basis for claiming a local conviction must accompany this report. When claiming a conviction other than Federal, enter the word "LOCAL" in the Conviction-Section" block, disregard the number of conviction counts, but enter the sentence in the appropriate blocks. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for all capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

- 1. The subject becomes a fugitive after conviction but prior to sentencing.
- 2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

- Since more than one IA/T could have contributed to the accomplishment, each IA/T must be rated.
- The IA/T used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

(Submit within 30 days from date of accomplishment)

TO: DIRECTOR, FBI
FROM: SAC, PITTSBURGH
SUBJECT: R. BUDD DWYER
TREASURER OF PENNSYLVANIA,
ET AL;
HOBBS ACT
(OO: PHILADELPHIA)

Bureau File Number
194C-267
 Field Office File Number
SQ #5
 Squad or RA Number
 Agent's Social Security No.

Investigative Assistance or Technique Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? No Yes - If Yes, rate each used as follows:
 1 = Used, but did not help
 2 = Helped, but only minimally
 3 = Helped, substantially
 4 = Absolutely essential

1. Acctg Tech Assistance	Rating	6. ELSUR - Title III	Rating	11. Lab. Div. Field Support	Rating	17. Surveil. Sqd Asst	Rating
2. Aircraft Assistance		7. Hypnosis Assistance		12. Pen Registers		18. SWAT Team Action	
3. Computer Assistance		8. Ident Div Assistance		13. Photographic Coverage		19. Telephone Taps	
4. Consensual Monitoring		9. Informant Information		14. Polygraph Assistance		20. Undercover Operation	
5. ELSUR - FISC		10. Lab Div Exams		15. Search Warrants Executed		21. Visual Invest - Analysis (VIA)	

X if a joint operation with another Federal, State or local LE agency
 X if case involves corruption of a public official, Federal, State or local

13100 DWYER

A. Preliminary Judicial Process (Number of subjects)	Complaints	Informations	Indictments	D. Recoveries, Restitutions, Court Ordered Forfeitures or Potential Economic Loss Prevented (PELP)	Property or PELP Type Code	Recoveries	Restitutions	Court Ordered Forfeitures	Potential Economic Loss Prevented
	B. Arrests, Locates, Summonses & Subpoenas (No. of subjects)				Subject Priority (See Reverse)				
	A	B	C						
	FBI Arrests								
	FBI Locates								
	Number of Subjects of FBI Arrests Who Physically Resisted								
	Number of Subjects of FBI Arrests Who Were Armed								
	Criminal Summons								
	Subpoenas Served <u>2</u>								
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)				E. Civil Matters					
Hostages Held By Terrorists				Amount of Suit					
Missing or Kidnapped Children Located				Settlement or Award					
				Government Defendant			Government Plaintiff		
				\$			\$		
				\$			\$		
				Enter AFA Payment Here					

F. Final Judicial Process: Judicial District _____ Dates _____ Convictions (or Final Judicial Process) Date _____ Sentence Date _____

Subject 1 - Name _____ Subject's Description Code *

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misd- <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
						Yrs	Mos	Yrs	Mos	Yrs	Mos	\$

Consecutive Sentences - Add all consecutive sentences together.
 Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together.
 If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.

Subject 2 - Name _____ Subject's Description Code *

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misd- <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
						Yrs	Mos	Yrs	Mos	Yrs	Mos	\$

Consecutive Sentences - Add all consecutive sentences together.
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Subject 3 - Name _____ Subject's Description Code *

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misd- <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
						Yrs	Mos	Yrs	Mos	Yrs	Mos	\$

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Remarks: Subpoenas served for witnesses to appear at trial on 2/5/85.

2 - Bureau
 2 - Field Office
 1-SSS
 WAM/drp (4)
 JUN 4 1985

[Handwritten signatures and initials]

Property Type Codes*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
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6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
10	Dangerous Drugs
11	Weapons or Explosives
12	Businesses or Assets Forfeited
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*

APR - 8

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
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- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

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- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Terrorists:

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- 5C Union Employee

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Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Exec - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

All Others:

- 8A All Other Subjects (not fitting above categories)

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- 1. The subject becomes a fugitive after conviction but prior to sentencing.
- 2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

- Since more than one IA/T could have contributed to the accomplishment, each IA/T must be rated.
- The IA/T used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same informant that contributed to all the accomplishments.)

PH0006 0880046Z

RR HQ LA

DE PH

R 280046Z MAR 85

FM PHILADELPHIA (194C-361)(HRA)(P)

m
24 MAR 85 06 49
DEPARTMENT OF INVESTIGATION

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Inspection	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgnt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

all done

TO DIRECTOR ROUTINE

LOS ANGELES ROUTINE

BT

Budd Dwyer

b6
b7C



UNCLAS

R. BUDD DWYER; TREASURER OF PENNSYLVANIA ET AL HOBBS ACT, OO:PHILADELPHIA.



RE PHILADELPHIA TELCAL OF SSRA [REDACTED] HARRISBURG [REDACTED] RESIDENT AGENCY TO WHITE COLLAR CRIME SECTION CHIEF, HELTERHOFF AND RIVERSIDE, CALIFORNIA SSRA [REDACTED] AND SA [REDACTED] BARSTOW, CALIFORNIA RA. ALL CALLS DATED MARCH 22, 1985.

W/10

REFERENCE TELCALLS CONTAINED INFORMATION REGARDING THE MOVEMENT OF SUBJECT JOHN TORQUATO, JR., WHO IS PRESENTLY CONFINED AT THE BORON INSTITUTION IN CALIFORNIA, IN AN EFFORT TO HAVE HIM IN THE HARRISBURG AREA FOR TRIAL, WHICH IS SCHEDULED TO COMMENCE TUESDAY, A.M., MARCH 26, 1985. TORQUATO PREVIOUSLY PLEAD GUILTY IN THIS CASE

194-4683

JJ

16 APR 2 1985

ML LR
MAY 2 1985

PAGE TWO, 194C-361, U N C L A S

AND IS THE GOVERNMENT'S CHIEF WITNESS AGAINST REPUBLICAN COUNTY CHAIRMAN, WILLIAM SMITH AND CALIFORNIA ATTORNEY, ALLAN STONEMAN.

IT IS NECESSARY FOR TORQUATO TO BE BROUGHT TO PENNSYLVANIA ON SUNDAY, MARCH 24, 1985. ARRANGEMENTS HAVE BEEN WORKED OUT WITH THE BUREAU OF PRISONS, EXECUTIVE OFFICES IN WASHINGTON, AND THEY HAVE RELAYED THE ARRANGEMENTS TO THE CUSTODIAL PEOPLE AT THE BORON INSTITUTION .

b6
b7C

SA [REDACTED] IS SCHEDULED TO PICK TORQUATO UP AT THE INSTITUTION APPROXIMATELY 9:00 A.M. AND TRANSPORT HIM TO LOS ANGELES INTERNATIONAL AIRPORT WHERE HE WILL BE PUT ON A NON-STOP FLIGHT TO DULLES AIRPORT, WASHINGTON, D.C., HE WILL BE MET BY AGENTS OF THE HARRISBURG RESIDENT AGENCY UPON HIS ARRIVAL, AND TRANSPORTED TO THE LEWISBURG AREA, WHERE HE WILL BE MAINTAINED AS A PROTECTED WITNESS WITH AGENTS ROUND THE CLOCK AND FOLLOWING HIS TESTIMONY HE WILL BE RETURNED TO THE CALIFORNIA INSTITUTION. THE BUREAU OF PRISONS AND THE UNITED STATES ATTORNEY'S OFFICE ARE IN COMPLETE AGREEMENT WITH THE MOVEMENT OF TORQUATO IN THIS MATTER AND CALIFORNIA SHOULD PROCEED WITH THE ARRANGEMENTS WORKED OUT IN REFERENCED PHONE CALL.

BT

FHO 020 0820410Z

PP HQ LA

DE PH

P 220410Z MAR 85

23 MAR 05 04 14

FEDERAL BUREAU OF INVESTIGATION

FM PHILADELPHIA (194C-361) (HRA) (P)

DIRECTOR PRIORITY

LOS ANGELES PRIORITY

BT

U N C L A S

Budd Dwyer

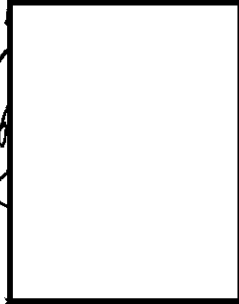
R. BUDD DWYER; TREASURER OF PENNSYLVANIA, ET AL; HOBBS ACT -CPO

OO :PH

RE PHILADELPHIA TELCALLS OF SSRA [REDACTED] HARRISBURG
RESIDENT AGENCY TO WHITE COLLAR CRIME SECTION CHIEF HELTERHOFF AND
RIVERSIDE, CALIFORNIA SSRA [REDACTED] AND SA [REDACTED] BARSTOW,
CALIFORNIA RA DATED 3/22/85.

RE TELCALLS CONTAINED INFORMATION REGARDING THE MOVEMENT OF
SUBJECT JOHN TORQUATO JR., WHO IS PRESENTLY CONFINED AT THE BORON
INSTITUTION IN CALIFORNIA, IN AN EFFORT TO HAVE HIM IN THE
HARRISBURG AREA FOR TRIAL WHICH IS SCHEDULED TO COMMENCE TUESDAY
MORNING 3/26/85. TORQUATO PREVIOUSLY PLED GUILTY IN THIS CASE
AND IS THE GOVERNMENT'S CHIEF WITNESS AGAINST REPUBLICAN COUNTY

Exec AD-Adm.	
Exec AD-Inv.	
Exec AD-LES	
Asst. Dir.:	
Adm. Serv.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	
Off. Cong. & Public Aff.	
Rec. Mgmt.	
Tech. Serv.	
Training	
Telephone Rm.	
Director's Sec'y	



194-4683-296
b6
b7C

4 MAR 28 1985

MAR 29 1985

PAGE TWO , U N C L A S 194C-361

CHAIRMAN WILLIAM SMITH AND CALIFORNIA ATTORNEY ALAN STONEMAN .

AND

IT IS NECESSARY FOR TORQUATO TO BE BROUGHT TO PENNSYLVANIA ON SUNDAY 3/24/85 . ARRANGEMENTS HAVE BEEN WORKED OUT WITH THE BUREAU OF PRISONS EXECUTIVE OFFICES IN WASHINGTON AND THEY HAVE RELAYED THE ARRANGEMENTS TO THE CUSTODIAL PEOPLE AT THE BORON INSTITUTION. SA [REDACTED] IS SCHEDULED TO PICK TORQUATO UP AT THE INSTITUTION APPROXIMATELY 9:00 AM AND TRANSPORT HIM TO LOS ANGELES INTERNATIONAL AIRPORT WHERE HE WILL BE PUT ON A NON-STOP FLIGHT TO DELLAS AIRPORT , WASHINGTON , D.C. HE WILL BE MET BY AGENTS OF THE HARRISBURG RESIDENT AGENCY UPON HIS ARRIVAL AND TRANSPORTED TO LEWISBURG AREA WHERE HE WILL BE MAINTAINED AS A PROTECTED WITNESS WITH AGENTS AROUND THE CLOCK AND FOLLOWING HIS TESTIMONY HE WILL RETURNED TO THE CALIFORNIA INSTITUTION. THE BUREAU OF PRISONS AND THE U.S. ATTORNEY'S OFFICE ARE IN COMPLETE AGREEMENT WITH THE MOVEMENT OF TORQUATO IN THIS MANNER AND CALIFORNIA SHOULD PROCEED WITH THE ARRANGEMENT WORKED OUT IN REFERENCED PHONE CALL .

BT

b6
b7C

PHO 002 0782208Z

RR HQ PG LA

DE PH

R 192208Z MAR 85

FM SAC, PHILADELPHIA (194C-361D) (HRA) (P)

15 MAR 05 22 21

FEDERAL BUREAU OF INVESTIGATION

TO DIRECTOR, FBI (ROUTINE)

PITTSBURGH (194C-267) (ROUTINE)

LOS ANGELES (SANTA ANNA RA) (ROUTINE)

BT

UNCLAS

R. BUDD DWYER, TREASURER, COMMONWEALTH OF PENNSYLVANIA; ET AL;

CONSPIRACY; ITAR - BRIBERY; MAIL FRAUD; HOBBS ACT; OO: PHILADELPHIA

FOR THE INFORMATION OF RECEIVING OFFICES, TRIAL IN INSTANT MATTER WILL BEGIN TUESDAY, MARCH 26, 1985, IN WILLIAMSPORT, PA.

USA JAMES WEST ADVISES TESTIMONY OF LOS ANGELES SAS [REDACTED]

[REDACTED] AND [REDACTED] WILL BE NECESSARY DURING THE FIRST

WEEK OF TRIAL. ADDITIONALLY, SA [REDACTED] AND [REDACTED] QUANTICO,

ARE SCHEDULED TO TESTIFY MONDAY, APRIL 1, 1985, AND SHOULD ARRIVE

IN WILLIAMSPORT, PA, SATURDAY, MARCH 30, 1985, FOR PRETRIAL

PREPARATION. APPROPRIATE ACCOMODATIONS HAVE BEEN ARRANGED FOR BY

PHILADELPHIA AND QUESTIONS SHOULD BE REFERRED TO SA [REDACTED]

Exec AD-1	
Exec AD-2	
Exec AD-3	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgnt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

3
Dm



[Handwritten signature]

[Handwritten initials]

b6
b7c

194-1683

30

MAR 21 1985

[Handwritten signature]

2 JUN 28 1985

PERS. REC. UNIT

PAGE TWO , PH 194C-361, UNCLAS

717-232-8686.

LOS ANGELES AT SANTA ANNA: SAS [REDACTED]

[REDACTED] AND [REDACTED] WILL TRAVEL TO WILLIAMSPORT, PA, ARRIVING
MARCH 25, 1985. QUANTICO SAS [REDACTED] AND [REDACTED] WILL TRAVEL
TO WILLIAMSPORT, ARRIVING ON SATURDAY MARCH 30, 1985.

b6
b7C

PITTSBURGH AT PITTSBURGH: WILL ADVISE AUSA OF CHANGE IN TRIAL
DATE.

BT

DATE: May 15, 1985
TO: Harrisburg Resident Agency
Post Office Box 312
Harrisburg, Pennsylvania 17108

Re: R. BUDD DWYER, Treasurer of
Pennsylvania;
ET AL;
HOBBS ACT; CONSPIRACY; ITAR -
BRIBERY; MAIL FRAUD

OO: Philadelphia

b6
b7C

Invoice of Contents

Description of Contents:

FBI File # 194-4683
Case # 50507044 P PN

Q2
14 photographic prints
3 negatives

Your #
 Return
Room 3443 TL
Ext. _____

- Mail Room: 1B327, TL 152
(registered mail)
- PSM - Supply Unit, 1B353
(not registered)

MAILED 6
MAY 14 1985
FBI

Shipping # R23363/851
Shipping Method _____

MAY 13 1985

Hazardous Materials Only

Weight of Hazardous Materials:

Packaged By _____
Signature
Date _____

BLM:ddb:jab(3)
5/15/85

105
MAY 28 1985
mj

Date 2/20/85

(Submit within 30 days from date of accomplishment)

TO: **DIRECTOR, FBI**

FROM: SAC, PHILADELPHIA
 SUBJECT: R. BUDD DWYER;
 ET AL;
 MF; ITAR-BRIBERY
 (OO: PH)

Bureau File Number
194C-361

Field Office File Number
4220

Investigative Assistance or Technique Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? No Yes - If Yes, rate each used as follows:

1 = Used, but did not help
 2 = Helped, but only minimally
 3 = Helped, substantially
 4 = Absolutely essential

1. Acctg Tech Assistance	6. ELSUR - Title III	11. Lab. Div. Field Support	16. Show Money Usage
2. Aircraft Assistance	7. Hypnosis Assistance	12. Pen Registers	17. Surveil. Sqd Asst
3. Computer Assistance	8. Ident Div Assistance	13. Photographic Coverage	18. SWAT Team Action
4. Consensual Monitoring	9. Informant Informant	14. Polygraph Assistance	19. Telephone T Records
5. ELSUR - FISC	10. Lab Div Exams	15. Search Warrant Executed	20. Undercover Operation
			21. Visual Invest Analysis (VIA)

b6
 b7E
 b7C

If a joint operation with another Federal, State or Local LE agency **
 If case involves corruption of a public official (Federal, State or local).

A. Preliminary Judicial Process (Number of subjects)	Complaints	Informations	Indictments	D. Recoveries, Restitutions, Court-Ordered Forfeitures or Potential Economic Loss Prevented (PELP)				
				Property or PELP Type Code	Recoveries	Restitutions	Court Ordered Forfeitures	Potential Economic Loss Prevented
B. Arrests, Locates, Summonses & Subpoenas (No. of subjects)	Subject Priority (See Reverse)							
	A	B	C					
FBI Arrests								
FBI Locates								
Number of Subjects of FBI Arrests Who Physically Resisted _____								
Number of Subjects of FBI Arrests Who Were Armed _____								
Criminal Summons _____		Subpoenas Served _____						
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)				E. Civil Matters		Government Defendant		Government Plaintiff
Hostages Held By Terrorists _____; All Other Hostage Situations _____				Amount of Suit		\$		\$
Missing or Kidnapped Children Located _____				Settlement or Award		\$		\$
								Enter AFA Payment Here

F. Final Judicial Process: Judicial District MD PA Dates 2/8/85 2/8/85

Subject 1 - Name - JOHN ROBERT TORQUATO, JR. Subject's Description Code* - 8A

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input checked="" type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
			18	371	1	Yrs	Mos	Yrs	Mos	Yrs	Mos	\$
						4	-	-	-	-	-	\$ 10,000

Consecutive Sentences - Add all consecutive sentences together.
 Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together.
 If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.

Subject 2 - Name - _____ Subject's Description Code* - _____

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
						Yrs	Mos	Yrs	Mos	Yrs	Mos	\$

Consecutive Sentences - Add all consecutive sentences together.
 Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together.
 If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.

Subject 3 - Name - _____ Subject's Description Code* - DF 194-118-3-31

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
						Yrs	Mos	Yrs	Mos	Yrs	Mos	\$

Consecutive Sentences - Add all consecutive sentences together.
 Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together.
 If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.

Attach additional forms if reporting final judicial process on more than three subjects, and submit a final disposition form (R-84) for each subject.

Remarks:
 On 12/17/84, Subject TORQUATO entered a plea to one count of conspiracy (Title 18, Section 371, USC) and agreed to cooperate with the Government. On 2/8/85, TORQUATO was sentenced to four years custody of the Attorney General and fined \$10,000. The remaining counts of the indictment were dismissed as to TORQUATO.

2. Bureau
 3. Field Office 1- 194C-361; 1- OSM; 1- HRA
 *See codes on reverse side. Subject description codes in Section F are required only when reporting a conviction.
 **In joint operations, identify the other Federal, State or Local Law Enforcement (LE) agency in the Remarks Section.
 DFJ:der
 (5)

Handwritten signatures and stamps, including "FBI/DOJ" and "SEARCHED" stamp.

APR 30 1987

Property Type Codes*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
10	Dangerous Drugs
11	Weapons or Explosives
12	Businesses or Assets Forfeited
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

*The case file must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*

- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Government Officials Or Employees:

	Federal	State	Local	
6A	Presidential Appointee	6J	Governor	
6B	U.S. Senator	6K	Lt. Governor	
6C	U.S. Representative	6L	Legislator	
6D	Judge	6M	Judge	
6E	Prosecutor	6N	Prosecutor	
6F	Law Enforcement Officer	6P	Law Enforcement Officer	
6G	Fed Exec - GS 13 & above	6Q	All Others - State	
6H	Fed Empl - GS 12 & below		6W	All Others - Local

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

All Others:

- 8A All Other Subjects (not fitting above categories)

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Instructions

Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

Claiming Convictions Other Than Federal:

It is permissible to claim a local (state, county or local) conviction if the FBI's investigation significantly contributed to the successful local prosecution. A succinct narrative setting forth the basis for claiming a local conviction must accompany this report. When claiming a conviction other than Federal, enter the word "LOCAL" in the Conviction-Section" block, disregard the number of conviction counts, but enter the sentence in the appropriate blocks. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for all capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

- 1. The subject becomes a fugitive after conviction but prior to sentencing.
- 2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

- Since more than one IA/T could have contributed to the accomplishment, each IA/T must be rated.
- The IA/T used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

ACCOMPLISHMENT REPORT (Effective 10/1/84)

(Submit within 30 days from date of accomplishment)

Date 2/27/85

TO: DIRECTOR, FBI

FROM: SAC, Philadelphia
SUBJECT: R. BUDD-DWYER; ET. AL.; MF; ITAR; BRIBERY; CONSPIRACY; HOBBS ACT

Budd Dwyer

Bureau File Number 194-C-361
Field Office File Number 4220
Squad or RA Number

Investigative Assistance or Technique Used
Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed?
1 = Used, but did not help
2 = Helped, but only minimally
3 = Helped, substantially
4 = Absolutely essential

16. Show M Usage b6
17. Surveil. Sqd Ass b7C
18. SWAT T b7E
19. Telephone Records
20. Undercovs Operation
21. Visual Inve Analysis (V)

X if a joint operation with another Federal, State or Local LE agency
X if case involves corruption of a public official (Federal, State or Local)

Table with columns: A. Preliminary Judicial Process, B. Arrests, Locates, Summonses & Subpoenas, C. Release of Hostages or Children Located, D. Recoveries, Restitutions, Court Ordered Forfeitures or Potential Economic Loss Prevented (PELP), E. Civil Matters

F. Final Judicial Process: Judicial District MD PA Dates 12/21/84 2/12/85
Subject 1 - Name - JUDITH ANN ELLIS
Subject's Description Code - 8-A

Conviction table for Subject 1: Title 18, Section 1952, Counts 1. Combined Sentence: In-Jail Term 2 Yrs, Suspended 0 Mos, Probation 1 Yrs, Total Fines \$ 5,000

Conviction table for Subject 2: Empty fields for Title, Section, Counts, and Combined Sentence.

Conviction table for Subject 3: Title 194, Section 4683, Counts 1. Combined Sentence: In-Jail Term 194 Yrs, Suspended 4683 Mos, Probation 3 Mos, Total Fines \$ 31X

Remarks: On 12/21/84, subject Ellis appeared before U. S. District Judge Malcolm Muir and entered a plea to a one-count information charging ITAR - Bribery. On 2/12/85, subject Ellis was sentenced to two years custody of the Attorney General, suspended after 30 days, placed on two years' probation and fined \$5,000. All counts of a prior indictment were dismissed as to this subject.

2 JUN 26 1985

Bureau 1 - 194-C-361 (HRA) 1 - OSM 1 - HRA DFJ:kak (5)

*See codes on reverse side. Subject description codes in Section F are required only when reporting a conviction.
**In joint operations, identify the other Federal, State or Local Law Enforcement (LE) agency in the Remarks Section.

Property Type Codes*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
10	Dangerous Drugs
11	Weapons or Explosives
12	Businesses or Assets Forfeited
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

MAY 0 1981
 FBI - NEW YORK

*The case file must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*

- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Exec - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

All Others:

- 8A All Other Subjects (not fitting above categories)

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Instructions

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- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

Claiming Convictions Other Than Federal:

It is permissible to claim a local (state, county or local) conviction if the FBI's investigation significantly contributed to the successful local prosecution. A succinct narrative setting forth the basis for claiming a local conviction must accompany this report. When claiming a conviction other than Federal, enter the word "LOCAL" in the Conviction-Section" block, disregard the number of conviction counts, but enter the sentence in the appropriate blocks. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for all capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

1. The subject becomes a fugitive after conviction but prior to sentencing.
2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, **not** the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

-Since more than one IA/T could have contributed to the accomplishment, each IA/T must be rated.
 -The IA/T used must be rated **each time** an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

PAGE TWO, PH 194C-361, U N C L A S

3. WITNESS PROTECTION AND SECURITY EXPENSES REGARDING CHIEF WITNESS JOHN TORQUATO, JR., WHO HAS BEEN IN FEDERAL BUREAU OF INVESTIGATION (FBI) CUSTODY SINCE MARCH 24, 1985. IT IS ANTICIPATED THAT THIS WILL END BY APRIL 19, 1985.

TRIAL IN THIS MATTER COMMENCED IN WILLIAMSPORT, PENNSYLVANIA, ON MARCH 26, 1985 AND IT IS MOVING VERY SLOWLY. IT IS ANTICIPATED THAT THE TRIAL WILL LAST ANOTHER THREE TO FOUR WEEKS.

THE BUREAU IS REQUESTED TO AUTHORIZE AN ADDITIONAL \$5,000 CASE EXPENDITURE WHICH WILL BE UTILIZED TO COVER EXPENSES PRESENTLY BEING INCURRED AND THOSE WHICH WILL BE FORTHCOMING AS THIS CASE GOES FORWARD. THE BUREAU WILL BE ADVISED EXPEDITIOUSLY OF THE OUTCOME OF THIS TRIAL.

BT

ADDENDUM: WHITE-COLLAR CRIMES SECTION (WCCS) DMT:^{4M}iyh 4/16/85

SAC, Philadelphia, has requested that the case fund authority be increased by \$5,000 to provide additional funds needed to provide security and subsistence for a witness in an ongoing trial. The witness is currently on furlough from a Federal correctional institution. The additional \$5,000 would bring the case fund authority to \$10,000.

The Public Corruption Unit concurs with Philadelphia's request.



APPROVED:	Adm. Servs. _____	Library _____
	Crim. Inv. <u>200/45</u>	Legal Coun. _____
Director _____		Off. of Cong. & Public Affs. _____
Exec. AD-Adm. _____	Ident. _____	Rec. Mgnt. _____
Exec. AD-Inv. _____	Inspection _____	Tech. Servs. _____
Exec. AD-LES _____	Intell. _____	Training _____

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
COMMUNICATION MESSAGE FORM

Handwritten: yk/CS/OCR
A
B

PAGE 1 OF 1	CLASSIFICATION UNCLAS E F T O	PRECEDENCE ROUTINE
DATE 4/18/85	#F138TRR PHIDE HQ H0138 1082130TYEOR 181903Z APR 85	
START HERE		
FM DIRECTOR FBI		
TO FBI PHILADELPHIA {194C-3611} ROUTINE		
BT		
UNCLAS E F T O	<i>Handwritten:</i> 3 Budd Dwyer Gm	
R. BUDD DWYER, TREASURER, COMMONWEALTH OF PENNSYLVANIA, ET AL,		
HOBBS ACT; 00: PHILADELPHIA {PH}		
REFERENCE PHILADELPHIA TELETYPE TO DIRECTOR, DATED		
APRIL 12, 1985.		
PHILADELPHIA IS AUTHORIZED TO EXPEND AN ADDITIONAL \$5,000		
FROM THE CASE FUND AS REQUESTED IN THE REFERENCED TELETYPE.		
BT		
DO NOT TYPE MESSAGE BELOW THIS LINE		
APPROVED BY <i>OBR</i>	DRAFTED BY DMT:IYH {2}	DATE 4/18/85
	ROOM 3845/6	FILE EXT

1 - MR. TUBBS

Handwritten: 194-4683-33

Stamp: APR 24 1985

Stamp: 53 JUN 29 1985

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS CENTER
Handwritten: 2.127/SM
APR 28 1985

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

DO NOT TYPE PAST THIS LINE

b6
b7C

Handwritten: 6

Handwritten: 15

FBI

TRANSMIT VIA:

Teletype
 Facsimile
 AIRTEL

PRECEDENCE:

Immediate
 Priority
 Routine

CLASSIFICATION:

TOP SECRET
 SECRET
 CONFIDENTIAL
 UNCLAS E F T O
 UNCLAS

Date 5/3/85

TO: DIRECTOR, FBI
(Attention: Laboratory Division, Special Photographic Unit, Room 3449, SA [redacted]) b6 b7C

FROM: SAC, PHILADELPHIA (194C-361) (HRA) (P)

SUBJECT: R. BUDD DWYER, Treasurer of Pennsylvania; ET AL;
HOBBS ACT; CONSPIRACY; ITAR - BRIBERY; MAIL FRAUD (OO: PHILADELPHIA) 3

For the information of the Laboratory Division, Special Photographic Unit, PH is currently involved in a trial in instant matter which has been underway for 6 weeks and will continue for 2 to 3 weeks. One of the main points in this trial is a meeting on 3/2/84, involving the subjects and Treasurer DWYER at which meeting a bribe offer was made. PH has obtained the appointment book for Treasurer DWYER which reflects the meeting on 3/2/84, at 8:00 a.m., which entry has been erased. The erased entry is not difficult to read; however, the secretary who maintained the book states she is now unable to read the entry. Case agents believe the entry reads "BREAKFAST MTG. - [redacted]" b6 b7C

[redacted] JOHN TORQUATO & [redacted] which was read unaided. PH requests a photographic enlargement be made of the area of the appointment book from 8:00 a.m. to 9:00 a.m., 3/2/84. The enlargement should be sufficiently large to allow the jury as well as the secretary to read the entry.

PH requests this enlargement be handled expeditiously due to the ongoing trial and the enlargement and appointment book be sent directly to the HRA, Post Office Box 312, Harrisburg, Pennsylvania, 17108, as soon as possible.

- 4 Bureau
 - 2- package copies (Register No. R058822476)
 - 2- Philadelphia (194C-361 (HRA))
- DFJ:der
-
- (6) -1-

194-4683-34

[redacted]

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

2 JUL 16 1985

Copy and specimens retained in LAB

PH 194C-361

REQUEST OF THE FBI LABORATORY SPECIAL PHOTOGRAPHIC UNIT
(SPU)

The SPU is requested to make the enlargement set forth above and return the appointment book and enlargement to the HRA, Post Office Box 312, Harrisburg, Pennsylvania, 17108.

REPORT
of the



FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

1 - [redacted] b6
b7c

[Handwritten signature]

To: SAC, Philadelphia (194C-361) (HRA)

May 15, 1985

FBI FILE NO. 194-4683

LAB. NO. 50507044 P PN

Re: R. BUDD DWYER, Treasurer of
Pennsylvania;
ET AL;
HOBBS ACT; CONSPIRACY; ITAR -
BRIBERY; MAIL FRAUD

OO: Philadelphia

Examination requested by: Philadelphia
Reference: Communication dated May 3, 1985
Examination requested: Photographic
Specimens received: May 7, 1985

Specimen:

Q2 Red 1984 Appointments book containing an erased entry under the date 3/2/84 8:00 A.M.

Result of examination:

The Q2 specimen was photographed as requested utilizing forensic techniques. As a result of those efforts, 10 (ten) 8 x 10 inch and 4 (four) 11 x 14 inch black and white enlargements are being furnished.

Being returned under separate cover are Q2, 14 (fourteen) photographic prints and 3 (three) 8 x 10 inch black and white negatives.

[Handwritten initials]
B.M.:ddb#27 (4)

[Handwritten file number] 194-4683-35

[Handwritten initials] OK

MAILED 16
MAY 15 1985
FBI

12 MAY 21 1985

MAIL ROOM

[Redacted] c Work Request & Evidence Receipt

Examiner [Redacted] Ext. _____ Rm. _____

Date Recd. 5/6 Lab # 50507044

Deadline 5/9 File # _____

Justification for Deadline Trial in progress

Items Recd. Q2 equipment & Book

Recd. From WHP Recd. By J. B. K.

Latent Yes No

Request Bring up erased writing on date 3/2/85

ECCAM and prepare enlargement

Work Performed photod area w/ black back

ground to absorb writing on

opposite side. Photod w/ white

back ground for better contrast.

with photo on CPP. Photod OK

and 87 folder (OK ref).

Photographer [Redacted]

Evidence Recd. WHP Date 5/9/85

Photographs Recd. WHP Date 5/9/85

SPU # 85827

b6
b7c

MAY 10 1985

RECORDED
5/8/85
mlh

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

5/7/85
b6
b7C

Laboratory Work Sheet

To: SAC, Philadelphia (194C-361) (HRA)

FBI FILE NO. 194-4683-50

LAB. NO. 50507044 P PN

YOUR NO.

Re: R. BUDD DWYER, Treasurer of
Pennsylvania;
ET AL;
HOBBS ACT; CONSPIRACY; ITAR -
BRIBERY; MAIL FRAUD

Examination by:

OO: Philadelphia

Examination requested by: Philadelphia

Reference: Communication dated May 3, 1985

Examination requested: Photographic

Specimens received: May 7, 1985

Specimen:

Q2 Red 1984 Appointments book containing an erased
entry under the date 3/2/84 8:00 A.M.

Q2 photos as req utilizing forensic tech.
as a result of those efforts, 10 8x10s
+ 4 11x14 enlgs are being furn.
Set under sep cover are Q 2, 14 enlgs + 3 8x10
B+W negs.
label + invoice

716
5-15-85
BLL/DOB

RECORDED
5/8/85
mhh

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

5/7/85
b6
b7C

Laboratory Work Sheet

To: SAC, Philadelphia (194C-361) (HRA)

FBI FILE NO. 194-4683 35

LAB. NO. 50507044 P PN

YOUR NO.

Re: R. BUDD DWYER, Treasurer of
Pennsylvania;
ET AL;
HOBBS ACT; CONSPIRACY; ITAR -
BRIBERY; MAIL FRAUD

Examination by:

OO: Philadelphia

Examination requested by: Philadelphia

Reference: Communication dated May 3, 1985

Examination requested: Photographic

Specimens received: May 7, 1985

Specimen:

Q2 Red 1984 Appointments book containing an erased
entry under the date 3/2/84 8:00 A.M.

SEARCH SLIP

Violation(s): HAFI CONSP ITAR
Violation date:
Violation location:
Victim:

Lab No: 50507044 P
City: PHILADELPHIA, PA PH.
Form: AT 05-03-85
Bufile No: 194-4683 - 35
Contributors No: 194-361 -

Subject:
Dwyer, R BUDD

Remarks:
BRIBE#MF#

Mh
(D)

8 P.M.

Status 1 Status 2 Status 3 Category: 1
Trial Importance Doc\SP Complex Volume Await Evid Buded: 05-29-85
Ack Type: 7- Principal Unit: *SPU* SFO UC

Examiner(s)	Symbols	Evidence	Date Delv	Date Ret	Dict Date	Partial/Final Date(s)
<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	<i>PA</i>	-----	-----	-----	-----	b6 b7C
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----

Q ----- K ----- Items ----- Evidence ret: -----
Resub? NO Request? NO Return No: -----
Call when ready? ----- EXT -----
Latent? YES NO Q tabs? YES NO Print ----- Assignment Card(s)

Previous Submission(s): ITEMS QS KS
41011005 D UE 1
PHILADELPHIA PA PH AT 10-05-84

Parcel Method and No: RM-R058822476
Received In ECC: 05-07-85
01-Boxes

✓ *WPC*
-----SFO, RM 4483
-----ECC, RM 3233
-----, RM-----
-----ECC, RM 3233

PH 194C-361

REQUEST OF THE FBI LABORATORY SPECIAL PHOTOGRAPHIC UNIT
(SPU)

The SPU is requested to make the enlargement set forth above and return the appointment book and enlargement to the HRA, Post Office Box 312, Harrisburg, Pennsylvania, 17108.

PH0016 1760215Z

PP HQ

DE PH

P 240215Z JUN 85

FM SAC, PHILADELPHIA (194C-361)(HRA)(P)

TO DIRECTOR, PRIORITY

BT

UNCLAS

R. BUDD DWYER, TREASURER, COMMONWEALTH OF PENNSYLVANIA; ET AL.

HOBBS ACT; ITAR-BRIBERY; OO:PHILADELPHIA

FOLLOWING A THREE MONTH TRIAL WHERE OVER 100 WITNESSES WERE CALLED AND SIX DAYS OF JURY DELIBERATION, A JURY IN THE MIDDLE DISTRICT OF PENNSYLVANIA RETURNED GUILTY VERDICTS ON CALIFORNIA ATTORNEY, ALLEN STONENAN, FINDING HIM GUILTY OF CONSPIRACY. THEY ALSO FOUND WILLIAM SMITH, CHAIRMAN OF THE DAUPHIN COUNTY REPUBLICAN COMMITTEE, GUILTY OF CONSPIRACY, ONE COUNT, MAIL FRAUD, THREE COUNTS, AND ITAR BRIBERY, FIVE COUNTS.

AS SOON AS POSSIBLE, THE NEXT PHASE IN THIS INVESTIGATION WILL BE UNDERTAKEN AND EVERY EFFORT WILL BE MADE TO GAIN SMITH'S COOPERATION SO THAT HE CAN BE USED TO TESTIFY AGAINST HIGH RANKING COMMONWEALTH OFFICIALS, MOST OF WHOM TESTIFIED ON HIS BEHALF, DURING THE

25 JUN 85 07 19z

FEDERAL BUREAU OF INVESTIGATION

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

06/25/85

Budd Dwyer

CPD



b6
b7C

194
4683-36

JUL 2 1985

53 OCT 16 1985

PAGE TWO, PH 194C-361, UNCLAS

TRIAL THAT WAS JUST CONCLUDED, AT WHICH TIME THEY COMMITTED NUMEROUS
COUNTS OF PURGERY. THREE OF THE INDIVIDUALS CONVICTED, TO DATE,
TESTIFIED FOR THE GOVERNMENT IN THIS TRIAL.

FBIHQ WILL BE KEPT APPRISED OF SIGNIFICANT DEVELOPMENTS AS
THEY UNFOLD.

BT

Date 7/31/85

(Submit within 30 days from date of accomplishment)

TO: DIRECTOR, FBI

FROM: SAC, PHILADELPHIA

**SUBJECT: R. BUDD DWYER;
 ET AL;
 HOBBS ACT-CPO
 (OO: PH)**

Bureau File Number
194C-361

Field Office File Number
4220

Investigative Assistance or Technique Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? No Yes - If Yes, rate each used as follows:

1 = Used, but did not help
 2 = Helped, but only minimally
 3 = Helped, substantially
 4 = Absolutely essential

1. Acctg Tech Assistance	6. ELSUR - Title [redacted]	11. Lab. Div. Field Support	16. Show Money Usage
2. Aircraft Assistance	7. Hypnosis Assistance	12. Pen Registers	17. Surveil. Sqd Asst
3. Computer Assistance	8. Ident. Div. Assistance	13. Photographic Coverage	18. SWAT Team Ac [redacted]
4. Consensual Monitoring	9. Informant Information	14. Polygraph Assistance	19. Te Re [redacted]
5. ELSUR - FISC	10. Lab Div Exams	15. Search Warra Executed	20. On Cr [redacted]
			21. Visual Inves. Analysis (VIA)

OK
NEW

BUDD DWYER

X if a joint operation with another Federal, State or Local LE agency **

X if case involves corruption of a public official of a Federal, State or Local.

A. Preliminary Judicial Process (Number of subjects)	Complaints	Informations	Indictments	D. Recoveries, Restitutions, Court Ordered Forfeitures or Potential Economic Loss Prevented (PELP)				
	Subject Priority (See Reverse)			Property or PELP Type Code	Recoveries	Restitutions	Court Ordered Forfeitures	Potential Economic Loss Prevented
B. Arrests, Locates, Summonses & Subpoenas (No. of subjects)	A	B	C					
	FBI Arrests							
FBI Locates								
Number of Subjects of FBI Arrests Who Physically Resisted								
Number of Subjects of FBI Arrests Who Were Armed								
Criminal Summonses								
Subpoenas Served								
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)				E. Civil Matters		Government Plaintiff		
Hostages Held By Terrorists				Amount of Suit				
Missing or Kidnapped Children Located				Settlement or Award		Enter AFA Payment Here		

F. Final Judicial Process: Judicial District MD | PA Dates 6/24/85 7/23/85 & 7/25/85

Subject 1 - Name - WILLIAM T. SMITH Subject's Description Code* - 8A

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input checked="" type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
			18	371	1	Yrs	Mos	Yrs	Mos	Yrs	Mos	
			18	1341 & 2	3	12	0					\$ 63,000
			18	1952(a)	1	Consecutive Sentences - Add all consecutive sentences together. Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together. If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.						
			18	1952	5							

Subject 2 - Name - ALAN R. STONEMAN Subject's Description Code* - 8A

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input checked="" type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
			18	371	1	Yrs	Mos	Yrs	Mos	Yrs	Mos	
						4						\$ 10,000
						Consecutive Sentences - Add all consecutive sentences together. Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together. If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.						

Subject 3 - Name - V-145 DE-271 194-41683-36X Subject's Description Code* - 8A

<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			Combined Sentence						
			Title	Section	Counts	In-Jail Term	Suspended	Probation	Total Fines			
						Yrs	Mos	Yrs	Mos	Yrs	Mos	
										406		\$ 1585
						Consecutive Sentences - Add all consecutive sentences together. Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together. If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.						

Attach additional forms if reporting final judicial process on more than three subjects, and submit a final disposition form (R-84) for each subject.

Remarks: On 6/24/85, subject WILLIAM T. SMITH was found guilty following jury trial of 1 count of violation of T18, Section 371; 3 counts of violation of T18, Section 1341 & 2; and 5 counts of violation of T18, Sections 1952(a) & 2. On 7/23/85, USDJ MALCOLM MUIR, MDPA, Williamsport, Pennsylvania, imposed the below listed sentences on each guilty count:

32 Bureau JUN 18 1986
 Field Office 194C-361; 1- OSM; 1- HRA REA & DFJ:der (5)

PARIS
WOC
HOBBS
ANG...

See codes on reverse side. Subject description codes in Section F are required only when reporting a conviction.
 In joint operations, identify the other Federal, State or Local Law Enforcement (LE) agency in the Remarks Section.

Property Type Codes*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
10	Dangerous Drugs
11	Weapons or Explosives
12	Businesses or Assets Forfeited
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

*The case file must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*

- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Exec - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

All Others:

- 8A All Other Subjects (not fitting above categories)

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Instructions**Subject Priorities for FBI Arrest or Locates:**

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

Claiming Convictions Other Than Federal:

It is permissible to claim a local (state, county or local) conviction if the FBI's investigation significantly contributed to the successful local prosecution. A succinct narrative setting forth the basis for claiming a local conviction must accompany this report. When claiming a conviction other than Federal, enter the word "LOCAL" in the Conviction-Section" block, disregard the number of conviction counts, but enter the sentence in the appropriate blocks. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for all capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

1. The subject becomes a fugitive after conviction but prior to sentencing.
2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, **not** the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

-Since more than one IA/T could have contributed to the accomplishment, each IA/T must be rated.

-The IA/T used must be rated **each time** an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

Count I - 5 years and \$10,000 fine
Count II - 5 years and \$1,000 fine
Count III - 2 years and \$1,000 fine
Count VII - 5 years and \$1,000 fine
Count IX - 5 years and \$10,000 fine
Count XII - 5 years and \$10,000 fine
Count XIII - 5 years and \$10,000 fine
Count XIV - 5 years and \$10,000 fine
Count XV - 2 years and \$10,000 fine

The prison time on Counts I, II and III is to be served consecutively. The time imposed on all other counts is to be served concurrently.

On 6/24/85, subject ALAN R. STONEMAN was found guilty following a jury trial of 1 count of violation of T18, Section 371, USC.

On 7/25/85, USDJ MALCOLM MUIR, MDPA, Williamsport, Pennsylvania, imposed a sentence of 4 months custody of the Attorney General and a \$10,000 fine.

The potential economic loss prevented is the difference between the cost of a contract obtained through bribery and a subsequent contract for the same work let through the bidding process.

VP0008 235 162 0Z

PP HQ

DE PG

231620Z AUG 85

FM PITTSBURGH (194C-267) (P)

TO DIRECTOR PRIORITY

BT

UNCLAS

ATTENTION: WHITE COLLAR CRIME SECTION, PUBLIC CORRUPTION UNIT,

[Redacted]

B. DWYER

R. BUD DWYER, TREASURER OF PENNSYLVANIA; ET AL, HOBBS ACT,

CONSPIRACY; ITAR - BRIBERY; MF (OO: PHILADELPHIA)

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REPTTEL CAL TO BUREAU, AUGUST 22, 1985.

b6
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FOR INFORMATION OF BUREAU, PITTSBURGH DIVISION IS CURRENTLY
CONDUCTING AN INVESTIGATION IN THIS MATTER RELATING TO PAYOFFS BY
JOHN TORQUATO, JR., OF CIA, INC., TO [Redacted] PITTSBURGH

[Redacted] PAYOFF ALLEGEDLY MADE IN RETURN FOR [Redacted]
ASSISTANCE TO TORQUATO IN OBTAINING TAX RECOVERY CONTRACT FROM CITY
OF PITTSBURGH.

194-4683-37

TORQUATO PREVIOUSLY FLED GUILTY TO MAIL FRAUD AND ITAR CHARGES
RELATING TO HIS ATTEMPTS TO OBTAIN SIMILAR CONTRACTS IN HARRISBURG

SEP 14 1985

WJ
DEC 4 1985

RECEIVED
TELETYPE UNIT

MS

23 AUG 85 6 14z

FEDERAL BUREAU
OF INVESTIGATION

*103
SD*

RECEIVED
SEP 14 1985
Handwritten initials

Handwritten initials

PAGE TWO

PG 194C-267

UNCLAS

PA, AND APPEARED AS A WITNESS FOR PHILADELPHIA DIVISION IN TRIAL OF TWO OF HIS CO-CONSPIRATORS IN SPRING, 1985, WILLIAMSPORT, PA.

b6
b7C

DISTRICT OF PENNSYLVANIA (WDPA), PITTSBURGH, PA, HAS ADVISED THIS MATTER IS SCHEDULED FOR FEDERAL GRAND JURY (FGJ) IN PITTSBURGH, PA, SEPTEMBER 4 - 5, 1985, AND IT WILL BE ABSOLUTELY NECESSARY FOR TORQUATO TO APPEAR BEFORE FGJ AS WITNESS ON THOSE DATES.

b6
b7C

TORQUATO, AS A RESULT OF HIS PLEA AGREEMENT, WAS SENTENCED TO FOUR YEARS IMPRISONMENT, WHICH HE IS CURRENTLY SERVING AT BORON FEDERAL PRISON CAMP, BORON, CA. TOP QUATO IS DESCRIBED AS WHITE MALE, DOB [REDACTED] FOR HARRISBURG, PA, HEIGHT 6'1", WEIGHT 172 POUNDS, HAIR BROWN, EYES HAZEL.

IN VIEW OF TORQUATO'S STATUS AS FEDERAL PRISONER, IT IS UNDERSTOOD THAT FBI WILL ASSUME CUSTODY OF HIM AND MAINTAIN HIM IN A GUARDED CONDITION THROUGHOUT THE DURATION OF HIS FGJ APPEARANCE.

b6
b7C

[REDACTED] HAS ADVISED THAT IT WILL BE NECESSARY TO HAVE TORQUATO IN PITTSBURGH BY SEPTEMBER 3, 1985, AND HIS PRESENCE IS EXPECTED TO BE NECESSARY THROUGH SEPTEMBER 6, 1985.

IT IS NOTED NO PRISON REDESIGNATION WILL BE NECESSARY FOLLOWING TORQUATO'S TESTIMONY BEFORE THE FGJ.

BT

#

PH 0012242005Z

OO HQ

DE PH

0122005Z AUG IT

12 AUG 85 20 20Z

FEDERAL BUREAU OF INVESTIGATION

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Serv.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	
Off. Cong. & Public Aff.	
Rec. Mgmt.	
Tech. Serv.	
Training	
Telephone Rm.	
Director's Sec'y	

SH

FM PHILADELPHIA (194C-361)

TO DIRECTOR IMMEDIATE

BT

U N C L A S

ATTENTION: [REDACTED] WHITE COLLAR CRIMES SECTION

R. BUDD DWYER, TREASURER, COMMONWEALTH OF PENNSYLVANIA; ET AL;

HOBBS ACT, ^{CPA} PH Budd Dwyer

6-

SET FORTH BELOW IS A SUMMARY OF THE PROSECUTIVE ACTION

COMPLETED IN THIS CASE AS OF THIS DATE:

ON OCTOBER 22, 1984, THE FGJ SITTING IN THE MDPA, HARRISBURG,

PA,

b6
b7C

[REDACTED]

11 7 NOV 20 1985

PAGE TWO, PH 194C-361, UNCLAS

YEAR CUSTODY OF THE ATTORNEY GENERAL AND FINED \$10,000.

2. JOHN R. TORQUATO, JR., ON DECEMBER 17, 1984, ENTERED PLEA OF GUILTY TO 1 COUNT OF CONSPIRACY AND AGREED TO COOPERATE WITH THE GOVERNMENT. ON FEBRUARY 8, 1985, TORQUATO WAS SENTENCED TO FOUR YEARS CUSTODY OF THE ATTORNEY GENERAL AND FINED \$10,000.

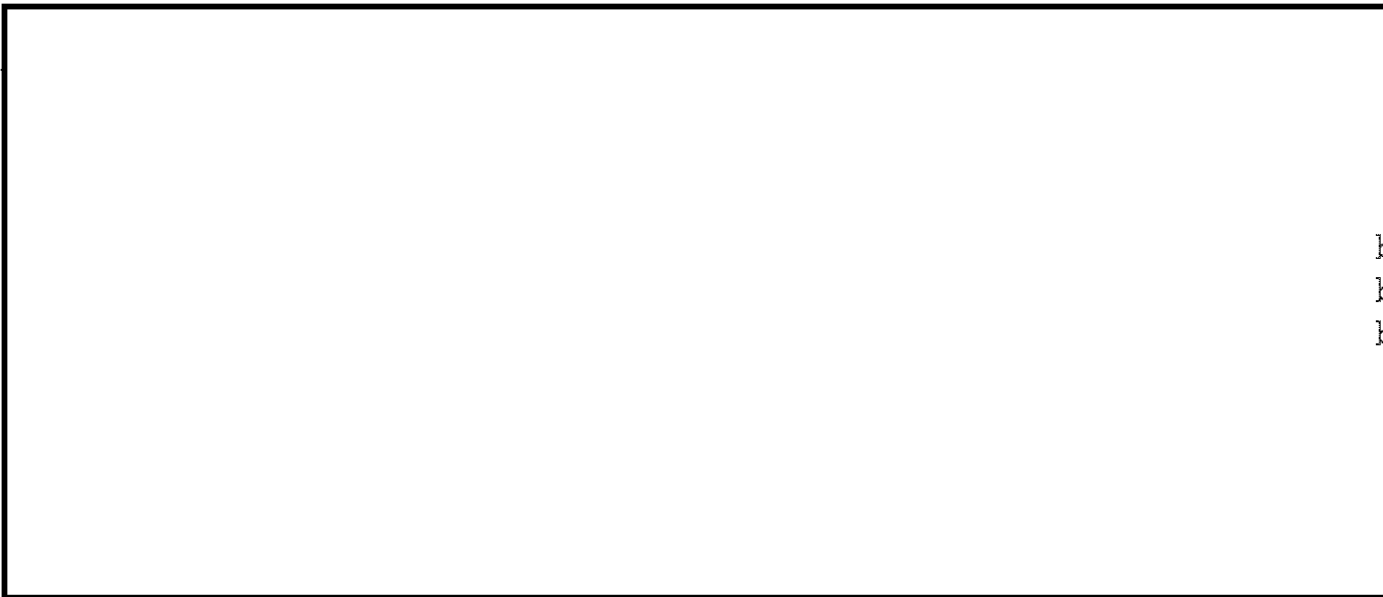
3. JUDITH ANN ELLIS, ON DECEMBER 21, 1984, ENTERED A PLEA OF GUILTY TO A 1 COUNT INFORMATION CHARGING ITAR-BRIBERY AND AGREED TO COOPERATE WITH THE GOVERNMENT. ON FEBRUARY 12, 1985, ELLIS WAS SENTENCED TO 2 YEARS CUSTODY OF THE ATTORNEY GENERAL, SUSPENDED AFTER 30 DAYS, PLACED ON 2 YEARS PROBATION AND FINED \$5,000.

4. ALAN R. STONEMAN, ON JUNE 24, 1985, FOLLOWING A JURY TRIAL, WAS FOUND GUILTY OF 1 COUNT OF CONSPIRACY. ON JULY 25, 1985, STONEMAN WAS SENTENCED TO 4 MONTHS CUSTODY OF THE ATTORNEY GENERAL AND FINED \$10,000.

5. WILLIAM T. SMITH, ON JUNE 24, 1985, FOLLOWING A JURY TRIAL, WAS FOUND GUILTY ON 1 COUNT OF CONSPIRACY, 3 COUNTS OF MAIL FRAUD AND 5 COUNTS OF ITAR. ON JULY 23, 1985, SMITH WAS SENTENCED TO 12 YEARS CUSTODY OF ATTORNEY GENERAL AND FINED \$63,000.

PAGE THREE, PH 194C-361, UNCLAS

THE FGJ IS PRESENTLY TAKING TESTIMONY IN PHASE II OF THIS
INVESTIGATION CONCENTRATING ON EVIDENCE



b3
b6
b7C

MATTER.

THE ABOVE IS FURNISHED TO THE BUREAU FOR INFORMATION
PURPOSES AND PHILADELPHIA WILL ADVISE IS FURTHER DEVELOPMENTS
ARISE.

BT

Property Type Codes* 23 700 00 1000

Potential Economic Loss Prevented (PELP) Type Codes*
SRI 12/2/11W
51
-1
20

Code No	Description	Code No	Description
1	Cash (U.S. and foreign currency)	22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)	23	Counterfeit or Pirated Sound Recordings or Motion Pictures
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)	24	Bank Theft Scheme Aborted
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)	25	Ransom, Extortion or Bribe Demand Aborted
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)	26	Theft from, or Fraud Against, Government Scheme Aborted
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)	27	Commercial or Industrial Theft Scheme Aborted
7	Jewelry (including unset precious and semiprecious stones)		
8	Precious Metals (gold, silver, silverware, platinum, etc)		
9	Art, Antiques or Rare Collections		
10	Dangerous Drugs		
11	Weapons or Explosives		
12	Businesses or Assets Forfeited		
20	All Other Recoveries (not falling in any category above)	30	All Other Potential Economic Loss Prevented (not falling in any category above)

*The case file must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*

- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Exec - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

All Others:

- 8A All Other Subjects (not fitting above categories)

Instructions

Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

Claiming Convictions Other Than Federal:

It is permissible to claim a local (state, county or local) conviction if the FBI's investigation significantly contributed to the successful local prosecution. A succinct narrative setting forth the basis for claiming a local conviction must accompany this report. When claiming a conviction other than Federal, enter the word "LOCAL" in the Conviction-Section" block, disregard the number of conviction counts, but enter the sentence in the appropriate blocks. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for all capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

- 1. The subject becomes a fugitive after conviction but prior to sentencing.
- 2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

- Since more than one IA/T could have contributed to the accomplishment, each IA/T must be rated.
- The IA/T used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 9/5/85

JAN 16 1986

SNV

TO: DIRECTOR, FBI
(Attention: FBI Laboratory, Photo Processing Unit)

FROM: SAC, PHILADELPHIA (194C-361)(HRA)(P)

SUBJECT: R. BUDD DWYER
ET AL;
HOBBS ACT; MF; ITAR
(OO: PHILADELPHIA)

BUDD DWYER

6-2-86

Enclosed for the FBI Laboratory are 17 negatives suitable for processing.

For the information of the Bureau, the enclosed negatives are photographs taken of computer printout spread sheets obtained by search warrant in captioned matter. Acting [redacted] MDPA, Harrisburg, Pennsylvania, anticipates introduction of these spread sheets into evidence in upcoming trial.

b6
b7C

REQUEST OF THE FBI LABORATORY

The Photo Processing Unit is requested to develop the enclosed negatives, enlarge to poster size, mount on stiff, durable material and cover with acetate.

(Signature)

Any questions concerning preparation of enclosed items should be directed to SA [redacted] or SA [redacted] of the Harrisburg, Pennsylvania, RA, PH Division, FTS

b6
b7C

- 4- Bureau
- 1- Package Copy (Enc. 17)(RM#R059097310)
- 2- Philadelphia (196C-361)(HRA)

194-4683-39X

REB:der
(6)

6/10/86

-1*-

R56/dm

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

210

SBA

L-358725

1-30-86

NOV 20 1985

PGO 0122841553Z

RR HQ

DE PG

R 111553Z OCT 85

FM PITTSBURGH (194C-287) (P)

TO DIRECTOR ROUTINE

BT

UNCLAS

RECEIVED
TELETYPE
UNIT

11 OCT 85 16 06z

FBI
U.S. DEPT. OF JUSTICE



ATTN: WHITE COLLAR CRIME SECTION, PUBLIC CORRUPTION UNIT
R. D. Dwyer
R. BUDD DWYER, TREASURER OF PENNSYLVANIA; ET AL; HOBBS ACT;
CONSPIRACY; ITAR-BRIBERY; MF; (OO: PHILADELPHIA)

RE PG TT TO BU, AUGUST 22, 1985.

FOR INFORMATION OF BU, ON OCTOBER 10, 1985, FGJ, WDP, PITTSBURGH

PA, [Redacted]



b6
b7C

Bufile

INVESTIGATION CONTINUING IN PG DIVISION.

194-4883-40

117 JAN 3 1986

U.S. DEPT. OF JUSTICE
F.B.I.

OCT 11 8 05 PM '85

RECEIVED
CRIMINAL
INVESTIGATIVE
DIVISION

AIRTEL

From: Director, FBI
(Attn: Photographic Processing Unit, Rm. 1B903)

Date:

JAN 16 1986

To: SAC PHILADELPHIA (194C-361) (HRA) (P)

Subject: R. BUDD DWYER;
ET AL;
HOBBS ACT; MF; ITAR
(OO: PHILADELPHIA)

BUDD DWYER
PA

FBIHQ USE ONLY	
Received	Initials Date
Developed	
Printed	
Enlargements	
Slides	
Copied	
Other	

1. ENCLOSED PHOTOGRAPHIC WORK RELATES TO:

- Current Investigation
- Mug Shot
- Other

2. ENCLOSURE(S)

Film To Be Processed

Size	Color	B&W	Quantity
4x5			
135			
126			
120			
Slides			

Movie Film or Microfilm

Size	Color	B&W	Quantity
16mm			
35mm			
8(super)			
70mm AHU			

Negatives To Be Printed

Size	Color	B&W	Quantity
8x10			
4x5			
135			
120			
126			
220			
110			

Other

Item	Quantity

3. WORK REQUESTED

Processing

- Process only
- Process & make print
- Process & make contact print
- Slides to be processed
- Slides to be duplicated
- _____
- _____

Prints To Be Made

- (From 135, 126, and 110)
- 3 1/2 x 5 5x7
 - _____ # prints from each frame
 - Color B&W
- (From 120 and 4x5)
- 4x5 8x10
 - _____ # prints from each frame
 - Color B&W

Prints To Be Made

- (Prints from slides)
- 3 1/2 x 5
 - 5x7
 - 8x10

Custom Prints

- (From any size negative or slide)
- Quantity _____
- Size _____
- Color B&W

4. PROCESSING CENTER REMARKS

194-4683-

NOT RECORDED

JUN 10 1986

SPECIAL INSTRUCTIONS

- Mail Room: Show shipment date and registry number.
- Shipping Room: Show shipment date; bill of lading number, initial invoice; invoice to be placed in administrative file.

ENC. MAIL ROOM

\$BA
L-358725
1/30/86

INSTRUCTIONS

GENERAL

All photographic work must be submitted under the substantive case caption when it relates to an investigative matter. Include FBIHQ file number when available. All other photographic processing forms (including FD-482) are obsolete and should not be used. The FD-523 is to be utilized for all photographic processing work forwarded to FBIHQ except employee identification and/or credential cards. Requests for official FBI identification and credential cards must be submitted on form FD-464, Attention: Property Procurement and Management Section.

The FD-523 may be filled out in legible hand printing or typing so that all six pages can be read. The following information is set forth to assist in properly filling out this form. Remove third sheet only (yellow field copy) and submit the remaining five pages.

1. ENCLOSED PHOTOGRAPHIC WORK RELATES TO:

All photographic work submitted should be checked as Current Investigation, Mug Shot, or OTHER in appropriate block. If "OTHER" is checked a short description of what it is should be stated under item #4 (Remarks).

2. ENCLOSURE(S):

Film To Be Processed - Check appropriate column for Color, Black and White film, alongside the size of the film. Also, indicate the number of sheets or rolls or cassettes in the quantity column. Slides refer to **EKTACHROME ONLY, DO NOT SEND KODACHROME.**

Movie Film Or Microfilm - Check appropriate block for size and quantity. **DO NOT SEND COLOR MOVIE FILM.**

Negatives To Be Printed - Check appropriate block for size; Color or Black and White and quantity submitted. If 135mm negatives are to be printed, indicate by frame number, do not cut up into individual frames. The same applies to any roll film.

Other - Enclosures to be copied e.g. photographs, documents, objects, etc.

3. WORK REQUESTED:

Processing - Only means to develop the film and **NO COPIES or PRINTS** e.g. microfilm.

Process and Print - Means to develop film and make one or more prints.

Slides To Be Processed - Means Ektachrome film to be developed and slides mounted.

Slides To Be Duplicated - Means process slide film and make one or more duplicates of each slide.

Prints To Be Made - From 135, 126 and 110 film, check size 3½x5 or 5x7. These are the only size prints available from our machine printers. Check Color or Black and White.

From 120 and 4x5 Film - Check size 4x5 or 8x10 and indicate Color or Black and White. These are the only size prints available from our machine printers.

Slides - Prints made directly from slides. Machine prints can be made in sizes 3½x5, 5x7 and 8x10.

Custom Prints - From any size negative or slide; indicate quantity and size of prints either Color or Black and White. Custom prints are available in various sizes but require extensive special handling. This type of printing is done on special request and proper justification **must** be furnished under item #4 (Remarks).

4. REMARKS:

Justification for custom prints. Any special instruction or short description of "other" photographic work in item #1 of this form.

No Personal Work should be submitted for processing. Any requests which may be misinterpreted as personal in nature should be explained and approval granted by the Special Agent in Charge or his/her designee.



INSTRUCTIONS - REVERSE SIDE
OF LAST PAGE

AIRTEL

To: Director, FBI
(Attn: Photographic Processing Unit, Rm. 1B903)

Date:

JAN 16 1986

[Handwritten signature]

From: SAC PHILADELPHIA (194C-361) (HRA) (P)

Subject: R. BUDD DWYER;
ET AL;
HOBBS ACT; MF; ITAR
(OO: PHILADELPHIA)

BUDD DWYER

FBIHQ USE ONLY		Initials	Date
Received			
Developed			
Printed			
Enlargements			
Slides			
Copied			
Other			

1. ENCLOSED PHOTOGRAPHIC WORK RELATES TO:

- Current Investigation
- Mug Shot
- Other

2. ENCLOSURE(S)

Film To Be Processed			
Size	Color	B&W	Quantity
4x5			
135			
126			
120			
Slides			

Movie Film or Microfilm			
Size	Color	B&W	Quantity
16mm			
35mm			
8(super)			
70mm			
AHU			

Negatives To Be Printed			
Size	Color	B&W	Quantity
8x10			
4x5			
135			
120			
126			
220			
110			

Other	
Item	Quantity

3. WORK REQUESTED

Processing

- Process only
- Process & make print
- Process & make contact print
- Slides to be processed
- Slides to be duplicated
- _____
- _____

Prints To Be Made

- (From 135, 126, and 110)
- 3 1/2 x 5 5 x 7
 - _____ # prints from each frame
 - Color B&W
- (From 120 and 4x5)
- 4x5 8x10
 - _____ # prints from each frame
 - Color B&W

Prints To Be Made

- (Prints from slides)
- 3 1/2 x 5
 - 5 x 7
 - 8 x 10

Custom Prints

- (From any size negative or slide)
- Quantity _____
- Size _____
- Color B&W

4. REMARKS

(include trial date or other mandatory deadline and any other specific instructions)

Film rec'd & ret'd with PRINTS
to PH

Init/Date DW / JAN 16 1986

NOT RECORDED
TO JUN 10 1986

1cc retained in Rm 1B903
1 letter each sent to
Ack: SPS, LAB
Work Completed:

Film processed _____
Prints made _____
Slides made _____

Init/Date: DW / JAN 16 1986

SBA
L-358725
1-30-86

NOV 20 1985

FBIHQ Enclosure

TO: DIRECTOR, FBI

Date 10/28/85

FROM: SAC, PITTSBURGH
 SUBJECT: *WAM/dr*

Bureau File Number
 194C-267
 Field Office File Number
 #5
 Squad or RA Number
 Agent's Social Security No.

R. BUDD DWYER, TREASURER
 OF PENNSYLVANIA;
 ET AL; BUDD DWYER
 HOBBS ACT-CONSPIRACY;
 ITAR-BRIBERY; MF
 (OO: PHILADELPHIA)

X if a joint operation with:
 (Identify other agency)
 X if case involves
 corruption of a public
 official (Federal, State or
 Local)

Investigative Assistance or Technique Used
 Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? No Yes - If Yes, rate each used as follows:
 1 = Used, but did not help 3 = Helped, substantially
 2 = Helped, but only minimally 4 = Absolutely essential

1. Acctg Tech Assistance	Rating	8. Eng. Sect. Tape Exams	Rating	15. Photographic Coverage	Rating	22. Telephone Toll Recs	Rating
2. Aircraft Assistance		9. Hypnosis Assistance		16. Polygraph Assistance		23. UCO Group I	
3. Computer Assistance		10. Ident Div Assistance		17. Search Warrants Executed		24. UCO Group II	
4. Consensual Monitoring		11. Informant Information		18. Show Money Usage		25. UC Other	
5. ELSUR - FISC		12. Lab Div Exams		19. Surveil. Sqd. (SOG) Asst		26. NCAVC/VI-CAP	
6. ELSUR - Title III		13. Lab Div Field Support		20. SWAT Team Action		27. Visual Invest - Analysis (VIA)	
7. Eng. Sect. Field Support		14. Pen Registers		21. Tech. Agt. or Tech Equip			

A. Preliminary Judicial Process (Number of subjects)		-Complaints	Informations	Indictments	D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP) (Explain valuation in remarks)				
				1	Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented
B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subj.)									
Subject Priority* A B C Subpoenas Served 6									
FBI Arrests - FBI Locates - Local Arrests - FBI Subj. Resisted _____; Armed _____									
C. Release of Hostages or Children Located: (Number of Hostages or Children Located) Hostages Held By Terrorists _____; All Other Hostage Situations _____ Missing or Kidnaped Children Located _____					E. Civil Matters Government Defendant Government Plaintiff Amount of Suit Settlement or Award				
F. Final Judicial Process:					No. of Subjects Acquired <i>b6</i> missed <i>b7c</i>				
Subject 1 Subject Description Code* - <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial <input type="checkbox"/> Pretrial Diversion					Subject 3 Subject Description Code* - <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial <input type="checkbox"/> Pretrial Diversion				
Subject 2 Subject Description Code* - <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial <input type="checkbox"/> Pretrial Diversion					Subject 4 Subject Description Code* - <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial <input type="checkbox"/> Pretrial Diversion				

Attach additional forms if reporting final judicial process on more than four subjects, and submit a final disposition for (R-84) for each subject.

Remarks: (For every subject reported in Sections A, B or F above, provide name, DOB, race*, sex, and POB and SSAN #) *FGJ, WPA, Pittsburgh, PA, returned*

108 MAY 21 1986

17 NOV 5 1985

[Handwritten signatures and initials]

Property Type Codes*	
Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
11	Weapons or Explosives
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*	
Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

*Except for cash, the Remarks section must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*
- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Empl - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

All Others:

- 8A All Other Subjects (not fitting above categories)

Instructions

Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

Claiming Non-Federal Arrests, Summonses, Recoveries or Convictions:

It is permissible to claim a local arrest, summons, recovery or conviction if the FBI significantly contributed to the accomplishment. A succinct narrative setting forth the basis for the claim must accompany this report. When claiming a local recovery, enter the word "LOCAL" to the right of the amount. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

1. The subject becomes a fugitive after conviction but prior to sentencing.
 2. The subject dies after conviction but prior to sentencing.
- An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IATs) Used:

-Since more than one IAT could have contributed to the accomplishment, each IAT used must be rated.
-The IAT used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

Race Codes:

C = Chinese; I = Indian/American; J = Japanese; N = Negro; O = All other; U = Unknown; W = White

INBOX.5 (#7641)

TEXT:

PH 002 0281700

RR HQ

DE PH

R/28 1700 JAN 86

FM PHILADELPHIA (194C-361)(HRA)(P)

TO DIRECTOR ROUTINE

BT

UNCLAS

R. BUDD DWYER, TREASURER OF PENNSYLVANIA; ET AL; HOBBS ACT; CONSPIRACY; ITAR-BRIBERY; MAIL FRAUD, OO:PHILADELPHIA.

FOR THE INFORMATION OF THE BUREAU, DURING NOVEMBER, 1985 U.S. ATTORNEY, MIDDLE DISTRICT OF PENNSYLVANIA, WAS PREPARING TO SEEK THE INDICTMENT OF JUDY SHOPP SMITH AND TREASURER R. BUDD DWYER. JUDY SHOPP SMITH IS THE WIFE OF WILLIAM T. SMITH WHO WAS PREVIOUSLY CONVICTED IN THIS MATTER, SENTENCED TO 12 YEARS INCARCERATION AND IS NOW FREE ON A CHANGE OF PLEA BOND. PRIOR TO SEEKING THE INDICTMENT AN AGREEMENT WAS REACHED WITH [REDACTED]

[REDACTED]

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Inspection	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgnt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

RECEIVED
20 JAN 1986

sw 3

BUDD DWYER

[REDACTED]

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KAP

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b7D

Supervisor 2/5/86
SSDA
Harrington
Return to wife Ray PSE
to any developments
cc to P-149 Tech Unit

57 MAY 5 1986

FEB 6 1986

[Handwritten signature]

[REDACTED]

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[REDACTED]

FURTHER PROSECUTIONS ARE BEING POSTPONED UNTIL THE THIRD CIRCUIT APPEAL IS RESOLVED AND BOTH SIDES HAVE REQUESTED THE APPEAL BE EXPEDITED. THE U.S. ATTORNEY, MDPA ANTICIPATES ADDITIONAL INDICTMENTS IN MARCH OR APRIL, 1985.

[REDACTED] HAS PROVIDED INFORMATION ABOUT AN OFFER TO STATE [REDACTED] FOR HALF OF HIS, [REDACTED] SHARE OF THE PROFIT ON A STATE FICA RECOVERY CONTRACT SOUGHT BY SUBJECTS [REDACTED] [REDACTED] [REDACTED] WANTED THE MONEY FOR HIS CAMPAIGN. SUBJECT [REDACTED] [REDACTED] WERE NOT SUCCESSFUL IN GETTING THIS CONTRACT. HOWEVER, [REDACTED] ASSISTED THEM IN OBTAINING A LATER CONTRACT.

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[REDACTED] OFFERED STATE TREASURER DWYER \$300,000 IF HE AND [REDACTED] WERE TO RECEIVE A FICA RECOVERY CONTRACT FOR STATE SCHOOL EMPLOYEES WHICH THEY SUBSEQUENTLY RECEIVED FROM THE TREASURER'S OFFICE. TREASURER DWYER SAID HE WAS GOING TO DISCUSS

\$100,000 TO \$300,000 COMING IN TO THE [REDACTED]

WITH [REDACTED]

[REDACTED] HAD A MEETING WITH [REDACTED] AND [REDACTED] AND SAID HE HAD TALKED TO TREASURER DWYER AND UNDER NO CIRCUMSTANCES WAS ANY MONEY GOING TO DWYER AND THAT HE DID NOT WANT ANYONE GOING TO JAIL. [REDACTED] SAID THEY WERE CRAZY TO OFFER A CONTRIBUTION TO DWYER PERSONALLY AND IF THERE IS GOING TO BE A POLITICAL CONTRIBUTION IT IS GOING TO GO TO THE STATE COMMITTEE. [REDACTED]

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[REDACTED] THEN OFFERED \$300,000 TO THE STATE COMMITTEE.

DURING A TELEPHONIC CONVERSATION, [REDACTED]

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[REDACTED] ASKED [REDACTED] HOW MUCH TREASURER DWYER WAS GETTING OUT OF THE CONTRACT. [REDACTED] TOLD [REDACTED]

[REDACTED] [REDACTED] HAD SAID HE WAS GOING TO GIVE DWYER \$300,000 AND IF HE DID [REDACTED] WOULD GET [REDACTED] TO GIVE [REDACTED] \$150,000. [REDACTED] RESPONDED [REDACTED]

[REDACTED] (MIDDLE NAME). [REDACTED] SUBSEQUENTLY REPEATED THE OFFER TO [REDACTED]

[REDACTED] WHO CORROBORATED [REDACTED]

OFFER WHEN HE TESTIFIED AGAINST [REDACTED] [REDACTED]

[REDACTED] WAS A DEFENSE WITNESS IN [REDACTED] TRIAL AND HIS TESTIMONY DIFFERED SUBSTANTIALLY FROM [REDACTED] STATEMENT.

PAGE FOUR, PH 194C-361, U N C L A S

PHILADELPHIA IS KEEPING COOPERATION ON A NEED TO
KNOW BASIS AS A LEAK COULD CAUSE SIGNIFICANT DIFFICULTIES.

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PHILADELPHIA, AT HARRISBURG, PA.: INVESTIGATION

CONTINUING.

BT

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 1/28/86

TO: DIRECTOR, FBI
 (ATTN: SPECIAL PROJECTS SECTION
 ROOM 1B224, [redacted])

3

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FROM: SAC, ^{WAM/DRP} PITTSBURGH (194C-267) (P)

R. BUDD DWYER, ^{Fin. & Dwyer}
 TREASURER OF PENNSYLVANIA;
 ET AL;
 HOBBS ACT - CONSPIRACY;
 ITAR-BRIBERY; MAIL FRAUD
 (OO: PHILADELPHIA)

[Handwritten signature]

Re Pittsburgh telcall to Special Projects Section,
 1/28/86.

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Enclosed for the Special Projects Section is one rough draft of a proposed chart containing 7 exhibits, as well as Xerox copies of each of the 7 exhibits to be included on the chart.

For information of the Bureau, this case involves a pay-off in the amount of \$6,374.86 by JOHN TORQUATO of COMPUTER TECHNOLOGY ASSOCIATES, LTD. to [redacted] of the Pittsburgh City Council, Pittsburgh, PA. The pay-off by TORQUATO was in return for [redacted] in obtaining a contract for the tax recovery work, which the CTA did for the City of Pittsburgh in early 1984. In return for [redacted] in obtaining this contract and [redacted] during the contract, TORQUATO issued a check from CTA to TORQUATO's attorney, ALAN STONEMAN and then instructed STONEMAN to issue a check in the same amount to [redacted].

194-4683-42

It is anticipated the trial in this case will begin on 2/18/86, in the Western District of Pennsylvania, Pittsburgh, PA, and it is requested that the Special Projects Section prepare a chart utilizing enclosed rough draft and exhibits to show the cash flow of the funds for this pay-off check. It is also requested

- ③ - Bureau (Enc. 1) ENCLOSURE
- 2 - Pittsburgh WAM/drp (5)

*1 cc to [unclear]
 1 B 227
 SPS 12910*

2/6/86
 4 JAN 31 1986

Approved: _____ Transmitted _____ (Number) (Time) Per _____

[Handwritten signature]

APR 16 1986

that the Special Projects Section prepare photographic blow-ups of each of the separate seven exhibits to assist in presentation to the jury and Pittsburgh Division case agent, along with AUSA CHARLES DE MONACO will be in contact with the Special Projects Section in order to make a final determination of the exact size of the chart to be prepared and of the blow-ups of the separate exhibits.

PA, AND APPEARED AS A WITNESS FOR PHILADELPHIA DIVISION IN TRIAL OF TWO OF HIS CO-CONSPIRATORS IN SPRING, 1985, WILLIAMSPORT, PA.

CHARLES DEMONACO, AUSA, WESTERN DISTRICT OF PENNSYLVANIA (WDPA), PITTSBURGH, PA, HAS ADVISED THIS MATTER IS SCHEDULED FOR TRIAL IN FEDERAL COURT, WDPA, PITTSBURGH, PA, ON FEBRUARY 18, 1986 AND IT WILL BE ABSOLUTELY NECESSARY FOR TORQUATO TO APPEAR AS WITNESS.

TORQUATO, AS A RESULT OF HIS PLEA AGREEMENT, WAS SENTENCED TO FOUR YEARS IMPRISONMENT, WHICH HE IS CURRENTLY SERVING AT BORON FEDERAL PRISON CAMP, BORON, CA. TORQUATO IS DESCRIBED AS WHITE MALE, POB HARRISBURG, PA, HEIGHT 6'1", WEIGHT 172 POUNDS, HAIR BROWN, EYES HAZEL.

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IN VIEW OF TORQUATO'S STATUS AS FEDERAL PRISONER, IT IS UNDERSTOOD THAT FBI WILL ASSUME CUSTODY OF HIM AND MAINTAIN HIM IN A GUARDED CONDITION THROUGHOUT THE DURATION OF HIS APPEARANCE. AUSA DEMONACO HAS ADVISED THAT IT WILL BE NECESSARY TO HAVE TORQUATO IN PITTSBURGH BY FEBRUARY 19, 1986, AND HIS PRESENCE IS EXPECTED TO BE NECESSARY THROUGH FEBRUARY 28, 1986. TORQUATO WAS PREVIOUSLY BROUGHT TO PITTSBURGH FOR FGJ TESTIMONY ON SEPTEMBER 2, 1985, UNDER BUREAU CUSTODY AND RETURNED TO BORON FEDERAL PRISON CAMP ON SEPTEMBER 9, 1985. PITTSBURGH WILL UNDERTAKE IDENTICAL MEANS IN MAINTAINING HIM

PAGE THREE

194C-267

UNCLAS

IN CUSTODY DURING TRIAL.

IT IS NOTED NO PRISON REDESIGNATION WILL BE NECESSARY FOLLOWING TORQUATO'S TESTIMONY .

FBIHQ IS REQUESTED TO EXPEDITIOUSLY CONTACT [REDACTED] JUSTICE DEPARTMENT OFFICE OF ENFORCEMENT OPERATIONS, [REDACTED] AND FURNISH HER WITH APPROPRIATE INFORMATION IN ORDER THAT SHE MAY MAKE A REQUEST TO THE BUREAU OF PRISONS FOR THE FBI TO ASSUME CUSTODY OF TORQUATO AT BORON FEDERAL PRISON CAMP ON FEBRUARY 19, 1986, AND RETURN HIM ON FEBRUARY 28, 1986.

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BT

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PK

TRANSMIT VIA: AIRTEL

CLASSIFICATION: Unclas

DATE: 2/19/86

FROM: Director, FBI

TO: SAC, Pittsburgh (194C-267)

Budd Dwyer
R. BUDD DWYER,
TREASURER OF PENNSYLVANIA;
ET AL;
HOBBS ACT - CONSPIRACY;
ITAR-BRIBERY; MAIL FRAUD

3

Et

Re ur airtel dated 1/28/86

There is (are) being forwarded to

X

your office

Attn:

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by Service By Air #322970

the following 11 trial size charts

prepared by Special Projects Section, Laboratory Division, re captioned matter.

The following action should be taken by your office:

TRIAL EXHIBITS OR OTHER VISUAL AIDS

- Check the above items against submitted work papers or roughs.
- Advise FBIHQ, attention Special Projects Section, Laboratory Division, (within ninety-days), re the use and effectiveness of these items, including all pertinent comments.

MAO

ARTIST'S CONCEPTIONS OR RETOUCED PHOTOGRAPHS

- Have witness(es) view item(s) for evaluation.
- If modification is necessary, submit additional information and any pertinent comments of witness(es) to FBIHQ, Special Projects Section, Laboratory Division.
- Advise (within ninety-days) re the use and effectiveness of the above items. Upon apprehension of subject(s), submit arrest photographs.

194-4683-44

1 - package

hmk
MAT:hmk (5)

12 MAR 4 1986

210
64 JUL 11 1986

Enc.

Ma

194C-267

NO 194-4683-44

Number # 8-777-7000

Pittsburgh -



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AUSA - STEVE GOLDRING - FTS-772-3513

FLOW CHART FROM SUBMITTED MATERIAL
ENLARGEMENT OF CHECKS, ETC

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b7C

TRIAL DATE 2-18-86

10 o'clock - Service By



1 - trial size charts

1. Check stub

6-18-84
XET CORPORATION
CHECK # 217
To
ALAN STONEMAN
AMT \$ 6,374.86

6-18-84
ALAN STONEMAN
[REDACTED]
AMTS 6,374.86
(FOR LEGAL FEES)

2. & 2A

6-19-84
DEPOSIT TO
ALAN STONEMAN
ACCOUNT
AMT \$ 7,798.31*

*1 CHECK LISTED TO
THE AMOUNT OF \$6,374.86

3. DISBURSMENT
REGISTER
FROM ALAN STONEMAN

4 & 4A

6-29-84
[REDACTED]
AMT \$ 6,674.86

5. Bank Statement

6-26-84
WITHDRAWAL FROM
ALAN STONEMAN
ACCOUNT
AMT \$ 6,374.86

6. STONE TO HIS ACCOUNT

6-22-84
[REDACTED]
AMT \$ 6,674.86*

*1 CHECK LISTED TO
THE AMOUNT OF 6,374.86

[REDACTED]

Den
account

Acetate
Cover
25 copies
of each
40x60

b6
b7C

FORMS.TEXT HAS 1 DOCUMENT

INBOX.12 (#1934)

TEXT:

PH 0210500151

RR HQ CO

DE PH

R 0190151 FEB 86

FM PHILADELPHIA (194C-361) (HRA) (P)

TO BUREAU ROUTINE

COLUMBIA (194C-116) ROUTINE

BT

U N C L A S

R. BUDD DWYER, TREASURER OF PENNSYLVANIA; ET AL, HOBBS ACT;

CONSPIRACY; ITAR-BRIBERY; AND MAIL FRAUD, OO: PHILADELPHIA

RE PHILADELPHIA TELEPHONE CALL TO THE BUREAU, FEBRUARY 18, 1986.

FOR THE INFORMATION OF COLUMBIA INSTANT MATTER INVOLVES ATTEMPTED

BRIBERY OF PENNSYLVANIA STATE OFFICIALS IN CONNECTION WITH THE

AWARDING OF A CONTRACT BY THE STATE TREASURER. TO DATE, FIVE

INDIVIDUALS EITHER HAVE BEEN CONVICTED OR HAVE ENTERED GUILTY PLEAS

INCLUDING ONE STATE OFFICIAL, TWO COMPANY OFFICIALS AND TWO ATTORNEYS.

THE INVESTIGATION HAS ENTERED INTO A SECOND PHASE DIRECTED AT THOSE

STATE OFFICIALS ALLEGEDLY AGREEING TO ACCEPT BRIBES FROM THE

CONVICTED SUBJECTS. SOME OF THE CONVICTED SUBJECTS ARE

COOPERATING. DURING A FIFTEEN WEEK TRIAL IN 1985 TESTIMONY INCLUDED

RECEIVED TELETYPE UNIT

20 FEB 86 16 07

FEDERAL BUREAU OF INVESTIGATION

Exec. Dir.	
Asst. Dir.:	
Adm. Serv.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	
Off. Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Serv.	
Training	
Telephone Rm.	
Director's Sec'y	

3

MKB

Budd Dwyer

PA

(circled initials)

194-4683-45

2 FEB 28 1986

REC. JUL 23 1986

cc Polygraph Unit

(signature)

PAGE TWO, 194C-361, U N C L A S

INFORMATION INVOLVING OFFERS OF CAMPAIGN CONTRIBUTIONS TO THE STATE
TREASURER, STATE ATTORNEY GENERAL AND OTHERS. AS PART OF THE
CONTINUING INVESTIGATION AN AGREEMENT WAS REACHED BETWEEN THE
UNITED STATES ATTORNEY, MIDDLE DISTRICT OF PENNSYLVANIA AND A
VERY SENSITIVE WITNESS WHICH REQUIRES A POLYGRAPH EXAMINATION.
SPECIAL AGENT [REDACTED] COLUMBIA DIVISION, WAS DESIGNATED
IN REFERENCED TELEPHONE CALL BY THE BUREAU TO ADMINISTER THE
POLYGRAPH EXAMINATION. POLYGRAPH IS SCHEDULED FOR MARCH 4, 1986
IN PHILADELPHIA AND SPECIAL AGENT [REDACTED] SHOULD PLAN ON ARRIVING
IN PHILADELPHIA ON MARCH 3, 1986. SPECIAL AGENT [REDACTED] SHOULD
CONTACT SPECIAL AGENT [REDACTED] HARRISBURG, PENNSYLVANIA,
RESIDENT AGENCY, [REDACTED] FOR DETAILS.

COLUMBIA AT COLUMBIA: ADVISED SPECIAL AGENT [REDACTED] OF INSTANT
MATTER.

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INBO I (#7454)

TEXT:

PG00001 050 2108Z

RR HQ

DE PG

R 192108Z FEB 86

FM PITTSBURGH (194C-267) (P)

TO DIRECTOR (ROUTINE)

BT

UNCLAS

ATTN: QUANTICO - ECONOMIC AND FINANCIAL CRIMES TRAINING UNIT

R. BUDD DWYER, TREASURER OF PENNSYLVANIA; ET AL; HOBBS ACT; CONSPIRACY; ITAR-BRIBERY; MF; (OO: PH) Budd Dwyer

FOR INFORMATION OF QUANTICO, PG DIVISION IS CURRENTLY PREPARING FOR TRIAL SCHEDULED TO BEGIN FEBRUARY 21, 1986, IN CAPTIONED MATTER RELATING TO PAYOFFS BY JOHN TORQUATO, JR., OF COMPUTER TECHNOLOGY ASSOCIATES (CTA), INC., TO PITTSBURGH CITY COUNCIL PRESIDENT, IN RETURN FOR TO TORQUATO IN OBTAINING A CONTRACT FROM THE CITY OF PITTSBURGH. TORQUATO HAS PREVIOUSLY PLED GUILTY IN THIS MATTER AND IS CURRENTLY A WITNESS FOR THE GOVERNMENT. AMONG OTHER BUSINESS RECORDS MAINTAINED BY TORQUATO ARE COMPUTER FLOPPY DISCS, ON WHICH, AMONG OTHER THINGS, ARE LOCATED SPREAD SHEET PROGRAMS DETAILING PAYOFF TO BE

RECEIVED
TELETYPE UNIT
20 FEB 86 10 00 AM

Exec AD-Adm.	
Exec AD-LES	
Asst. Dir.:	
Adm. Serv.	
Crim. Inv.	<i>RM</i>
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	
Off. Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Serv.	
Training	
Telephone Rm.	
Director's Sec'y	

(2)
mlw 3

(1)

PA

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194-4683-46

17 MAR 14 1986

SK

PAGE TWO

PG 194C-267

UNCLAS

MADE TO [REDACTED] BY TORQUATO. INFORMATION CONTAINED ON THESE FLOPPY DISCS HAS BEEN RETRIEVED AND PREPARED FOR TRIAL PRESENTATION BY [REDACTED] [REDACTED] OF THE ECONOMIC AND FINANCIAL CRIMES TRAINING UNIT, QUANTICO.

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AUSA CHARLES DE MONACO, WDPA, PITTSBURGH, PA, HAS ADVISED

[REDACTED] PRESENTATION OF THIS COMPUTER EVIDENCE AT TRIAL IS CURRENTLY SCHEDULED TO TAKE PLACE ON FEBRUARY 24, 1986.

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IT IS REQUESTED, THEREFORE, THAT [REDACTED] OF THE ECONOMIC AND FINANCIAL CRIMES TRAINING UNIT TRAVEL TO PG ON FEBRUARY 23, 1986, IN ORDER TO BE ABLE TO PREPARE FOR TRIAL PRESENTATION ON FEBRUARY 24, 1986. IN THE EVENT OF ANY CHANGES IN THIS SCHEDULING, [REDACTED] WILL BE NOTIFIED DIRECTLY BY PG.

BT

#

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TO: DIRECTOR, FBI

Date 4/3/86

FROM: SAC, PITTSBURGH
 SUBJECT: R. BUDD DWYER

Bureau File Number
194C-267
Field Office File Number
5
Squad or RA Number
Agent's Social Security No.

Investigative Assistance or Technique Used			
Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? <input type="checkbox"/> No <input type="checkbox"/> Yes - If Yes, rate each used as follows:			
1 = Used, but did not help		3 = Helped, substantially	
2 = Helped, but only minimally		4 = Absolutely essential	
1. Acctg Tech Assistance	Rating	8. Eng. Sect. Tape Exams	Rating
2. Aircraft Assistance		9. Hypnosis Assistance	
3. Computer Assistance		10. Ident Div Assistance	
4. Consensual Monitoring		11. Informant Information	
5. ELSUR - FISC		12. Lab Div Exams	
6. ELSUR - Title III		13. Lab Div Field Support	
7. Eng. Sect. Field Support		14. Pen Registers	
15. Photographic Coverage	Rating	17. Search Warrants Executed	Rating
16. Polygraph Assistance		18. Show Money Usage	
19. Surveill. Sqd. (SOG) Asst		20. SWAT Team Action	
21. Tech. Agt. or Tech Equip		22. Telephone Toll Recs	Rating
23. UCO Group I		24. UCO Group II	
25. UC Other		26. NCAVC/VI-CAP	
27. Visual Invest - Analysis (VIA)			

TREASURER OF PENNSYLVANIA;
 ET AL;
 HOBBS ACT; CONSPIRACY;
 ITAR-BRIBERY; MF
 (OO: PHILADELPHIA)

Budd Dwyer

X if a joint operation with:
 (Identity of other agency)
 X if case involves corruption of public official (Federal, State or Local).

A. Preliminary Judicial Process (Number of subjects)		-Complaints	Informations	Indictments	D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP)			(Explain valuation in remarks)	
B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subj.)		Subject Priority*			Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)		E. Civil Matters			Government Defendant		Government Plaintiff		
F. Final Judicial Process: Judicial District		WD PA			Conviction or Pretrial Div. Date		Sentence Date		No. of Subjects <u>1</u> Acquired <u>1</u> Dismissed <u>0</u>
Subject 1		Subject 2			Subject 3		Subject 4		
Conviction		Conviction			Conviction		Conviction		
Combined Sentence		Combined Sentence			Combined Sentence		Combined Sentence		
Total Fines \$		Total Fines \$			Total Fines \$		Total Fines \$		
Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.		Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.			Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.		Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.		

Attach additional forms if reporting final judicial process on more than four subjects, and submit a final disposition for (R-84) for each subject.

Remarks: (For every subject reported in Sections A, B or F above, provide name, DOB, race*, sex, and POB and SSAN if available.)

APR 10 1986

[Redacted] acquitted of charges of Title 18, USC, Section 1951, one count, by jury on 3/5/86.

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2 - Bureau
2 - Field Office
See codes on reverse side

DEC 18 1986

(1-ASM), WAM/drp (64) 3 1900

THREE

AM 15 1988

Property Type Codes*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
11	Weapons or Explosives
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

*Except for cash, the Remarks section must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*

- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Empl - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

All Others:

- 8A All Other Subjects (not fitting above categories)

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Instructions

Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

Claiming Non-Federal Arrests, Summonses, Recoveries or Convictions:

It is permissible to claim a local arrest, summons, recovery or conviction if the FBI significantly contributed to the accomplishment. A succinct narrative setting forth the basis for the claim must accompany this report. When claiming a local recovery, enter the word "LOCAL" to the right of the amount. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

- 1. The subject becomes a fugitive after conviction but prior to sentencing.
- 2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

-Since more than one IA/T could have contributed to the accomplishment, each IA/T used must be rated.
-The IA/T used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

Race Codes:

C = Chinese; I = Indian/American; J = Japanese; N = Negro; O = All other; U = Unknown; W = White

OP

RECEIVED
TELETYPE UNIT

3 MAY 86 10 20Q

FBI/ML

FORMS.TEXT HAS 1 DOCUMENT

FEDERAL BUREAU
OF INVESTIGATION

INBOX.45 (#10872)

TEXT:

PH0022 1230620

RR HQ

DE PH

R 030620 MAY 86

FM PHILADELPHIA (194C-361)(HRA)(P)

TO DIRECTOR ROUTINE

BT

U N C L A S

Budd Dwyer

R. BUDD DWYER, TREASURER OF PENNSYLVANIA, ET AL, HOBBS ACT,

CONSPIRACY, ITAR - BRIBERY, MF, OO: PHILADELPHIA

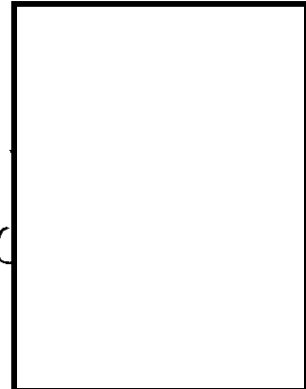
RE PHILADELPHIA TELETYPE TO BUREAU, JANUARY 28, 1986.

FOR THE INFORMATION OF THE BUREAU, THE THIRD CIRCUIT OF APPEALS

PHILADELPHIA, PENNSYLVANIA, AFFIRMED THE CONVICTIONS OF SUBJECTS

WILLIAM T. SMITH AND ALAN R. STONEMAN, THE OPINION FILED

APRIL 28, 1986. AS PER THE AGREEMENT DESCRIBED IN RE TELETYPE,



CC

(Signature)

47

194-4683



117 NOV 24 1986
144

b6
b7C

1986

b6
b7C
b7D

FORMS TEXT HAS 1 DOCUMENT

INBOX.5 (#1344)

TEXT:

FF 0131342450

RR HQ CO LA QT

DE PH

R 0142450 MAY 25

FM PHILADELPHIA (194C-361)(HRA)

TO DIRECTOR ROUTINE

COLUMBIA ROUTINE

LOS ANGELES (194C-255) ROUTINE

QUANTICO ROUTINE

BT

UNCLAS

ATTN: SA [redacted] (COLUMBIA); SA [redacted] (LA);

SA [redacted] QUANTICO)

R. BUDD DWYER, TREASURER OF PENNSYLVANIA, ET AL; CONSPIRACY

MF, ITAR-BRIBERY, PERJURY; OO: PHILADELPHIA.

FOR THE INFORMATION OF THE BUREAU AND RECEIVING OFFICES,
A FEDERAL GRAND JURY (FGJ) FOR THE MIDDLE DISTRICT OF PENNSYLVANIA
(MDPA), RETURNED AN INDICTMENT ON MAY 13, 1986 CHARGING STATE
TREASURER R. BUDD DWYER AND FORMER PENNSYLVANIA REPUBLICAN
CHAIRMAN ROBERT BRUCE ASHER WITH CONSPIRACY, MAIL FRAUD, ITAR-
BRIBERY, AND PERJURY. INDICTMENT WAS ANNOUNCED AT A JOINT PRESS

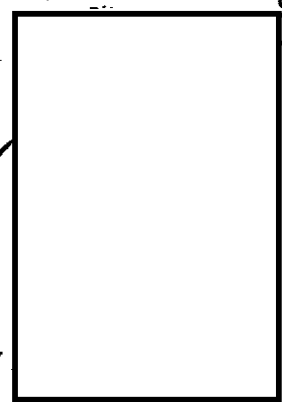
RECEIVED
TELETYPE UNIT

15 MAY 25 02 24z

FEDERAL BUREAU
OF INVESTIGATION

3 [Handwritten signature]

b6
b7C



6

194C-4683-48

MAY 27 1986

11 NOV 24 1986

cc-Quantico

PAGE TWO PH 194C-351 UNCLAS

CONFERENCE BY [REDACTED] AND SAC WAYNE G.

DAVIS. TRIAL ANTICIPATED IN LATE SUMMER.

BT

b6
b7C

5/15/86

File

JUDGE:

RE: R. BUDD DWYER,
TREASURER OF PENNSYLVANIA;
ET AL;
HOBBS ACT; CONSPIRACY;
ITAR - BRIBERY; MF
OO: PHILADELPHIA

Budd Dwyer

WT

This case was initiated on 7/6/84 upon receipt of information from the Office of Auditor General for the Commonwealth of Pennsylvania indicating that John Torquato, hidden owner of Computer Technology Associates (CTA), influenced the Legislature of the Commonwealth of Pennsylvania to pass legislation giving the Treasurer, R. Budd Dwyer, the authority to collect \$25 million in over-payments made by Commonwealth employees to the Social Security sick leave system. In exchange for granting the collection contract to CTA, Torquato would pay \$300,000 to Dwyer, \$100,000 to David I. Herbert, Director of Social Security for Public Employees for the Commonwealth of Pennsylvania, and \$200,000 to others including former Pennsylvania Republican Chairman Robert Bruce Asher.

On 10/22/84, a Federal grand jury (FGJ), Harrisburg, Pennsylvania, indicted: Torquato; Herbert; Judy Ellis, President of CTA; William T. Smith, attorney and political figure in Harrisburg; and Alan R. Stoneman. The indictment disclosed that attempts were made to bribe [redacted] with a \$100,000 campaign contribution and a \$6,374 payment to [redacted]. Torquato pled guilty and testified against the other defendants leading to their convictions in the May of 1985.

The Pittsburgh Division built a case against [redacted] surrounding a separate contract between the City of Pittsburgh and CTA. Torquato also testified in that case but [redacted] was acquitted in U. S. District Court, Western District of Pennsylvania, Pittsburgh, Pennsylvania, in February, 1986. The only connection between the two cases was Torquato.

194-4683-48X
20 MAY 21 1986

20 MAY 21 1986

NOV 28 1986
2466

58974-44

not SFOA T.
Classifying
7-28-86
JUL 29 1986

F.B.I.
U.S. DEPT. OF JUSTICE
RECEIVED
CRIMINAL
INVESTIGATIVE
FRONT OFFICE
MAR 16 5 58 PM 1986

On 5/13/86, a FGJ, Middle District of Pennsylvania, Harrisburg, Pennsylvania, returned an indictment charging Dwyer and Asher with Conspiracy, Mail Fraud, ITAR - Bribery, and Perjury. The Perjury charge stems from testimony of Dwyer and Asher at the May, 1985 trial of the other defendants in this case.

Information developed to date on [redacted] is not sufficient for presentation to a FGJ. Also, none of the above-named subjects are known to offer information which might lead to an indictment of [redacted]. However, should Dwyer go to trial, information is very likely to surface through testimony by Torquato and Smith that would be damaging to [redacted] career. b6 b7C

I will keep you informed of developments in this matter.

FC
Floyd I. Clarke

ad

SFP 25 1986

Property Type Codes*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
11	Weapons or Explosives
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

*Except for cash, the Remarks section must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*
- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Empl - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

All Others:

- 8A All Other Subjects (not fitting above categories)

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Instructions

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- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
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Race Codes:

C = Chinese; I = Indian/American; J = Japanese; N = Negro; O = All other; U = Unknown; W = White

1 - [redacted]

SAC, Philadelphia (194-)

6/11/86

Director, FBI

[Ⓢ]
R. BUDD DWYER,
TREASURER OF PENNSYLVANIA;
ET AL;
HOBBS ACT;
CONSPIRACY;
ITAR - BRIBERY AND MAIL FRAUD

BUDD DWYER M

OO: Philadelphia

oh
9/26

b6
b7C
b7D

A technical review of the polygraph examination documents pertaining to the examination of [redacted] on 3/4/86 has been completed. This review disclosed that the examination is satisfactory in all aspects and review personnel concur with the results of the examination.

All documents are enclosed herewith, for appropriate filing.

Enclosures (13)

1 - Columbia (94-2) (Attention: Special Agent [redacted])

(Handwritten initials in a circle)

MAILED 9
JUN 19 1986
FBI

mhh
ETM:mhh (5)

ENCLOSURE

7-50
DE-195/94-4683-49

JUL 1 1986

- Exec AD Adm. _____
- Exec AD Inv. _____
- Exec AD LES _____
- Asst. Dir.:
- Adm. Servs. _____
- Crim. Inv. _____
- Ident. _____
- Insp. _____
- Intell. _____
- Lab. _____
- Legal Coun. _____
- Off. Cong. & Public Affs. _____
- Rec. Mgnt. _____
- Tech. Servs. _____
- Training _____
- Telephone Rm. _____
- Director's Sec'y _____

PG-1158
2
NOV 24 1986

MAIL ROOM

SAC, Philadelphia (194-361)

7/25/86

Director, FBI

R. BUDD DWYER,
TREASURER OF PENNSYLVANIA;
ET AL
HOBBS ACT; CONSPIRACY;
ITAR - BRIBERY; MAIL FRAUD

Budd Dwyer

OO: Philadelphia

JD

A technical review of the polygraph examination document pertaining to the examination of [redacted] on 7/2/86 has been completed. This review disclosed that the examination is satisfactory in all aspects and review personnel concur with the results of the examination.

All documents are enclosed herewith, for appropriate filing.

CA
b6
b7C

Enclosures (9)

1 - Columbia (94-2) Attention: SA [redacted]

MAILED 19
599/12
JUL 25 1986
FBI

DE-30

194-4683-50

2-ENCLOSURE

JUL 30 1986

REC'D

NOV 28 1986

ED:rr (5)

MAIL ROOM

- Exec AD Adm. _____
- Exec AD Inv. _____
- Exec AD LES _____
- Asst. Dir.:
- Adm. Servs. _____
- Crim. Inv. _____
- Ident. _____
- Insp. _____
- Intell. _____
- Lab. _____
- Legal Coun. _____
- Off. Cong. & Public Affs. _____
- Rec. Mgnt. _____
- Tech. Servs. _____
- Training _____
- Telephone Rm. _____
- Director's Sec'y _____

FORMS.TEXT HAS 1 DOCUMENT

INBOX.11 (#2445)

TEXT:

PH 0262482353

RR HQ LA QU

DE PH

R 0052353 SEP 86

FM PHILADELPHIA (194C-361) (HRA)

TO DIRECTOR ROUTINE

LOS ANGELES (194C-255) ROUTINE

QUANTICO ROUTINE

BT

UNCLAS

Budd Dwyer

ATTENTION: QUANTICO, KENNETH BISHOP; LOS ANGELES

SANTA ANA RESIDENT AGENCY

R. BUDD DWYER; TREASURER OF PENNSYLVANIA; ET AL; CONSPIRACY; MAIL FRAUD; ITAR-BRIBERY; HOBBS ACT; OO: PHILADELPHIA

FOR THE INFORMATION OF THE BUREAU AND RECEIVING OFFICES TRIAL IN THIS MATTER IS SCHEDULED TO BEGIN OCTOBER 1, 1986 AT WILLIAMSPORT, PENNSYLVANIA. TESTIMONY WILL BE NECESSARY FROM SPECIAL AGENT [redacted] AND SC BISHOP. THESE INDIVIDUALS WILL BE CONTACTED DIRECTLY WITH A SPECIFIC DATE FOR THEIR TESTIMONY IS ESTABLISHED BUT IS ANTICIPATED TESTIMONY FROM THESE INDIVIDUALS WILL BE REQUIRED IN THE MIDDLE OF OCTOBER, 1986.

BT

RECEIVED TELETYPE UNIT

6 SEP 86 11 20z

FEDERAL BUREAU OF INVESTIGATION



W



b6
b7C

b6
b7C

PLC/MS

AM/MS

JG

194-4683-51

20 NOV 8 1986



pac!

From: Director, FBI
(Attn: Photographic Processing Unit, Rm. 1B903-TL151)

AIRTEL

To: SAC Philadelphia (194C-361)

Cost Code: ~~SUN~~ 10 1986

Date:

Subject: R. BUDD DWYER, TREASURER OF
PENNSYLVANIA; ET AL; Hobbs Act
CONSPIRACY; 1 TAR - BRIBERY; MF
OO: PH

Unclassified Confidential Secret

MLC

ENCLOSURES:

CONTACT FOR INFORMATION:

FTS-

	Size	Type	Quantity
Film			
Negatives			
Prints			
Other (specify)			

(color and black & white work will not be accepted on same request)

WORK REQUESTED:

- Develop and print 1 ea. 3 1/2 x 5
- Other:

194-4683-

NOT RECORDED
3 SEP 24 1986

JUSTIFICATION:

Service By Air

PHOTO TECHNICIAN (Int.) _____

- W.W. mat*
SPECIAL INSTRUCTIONS
- Mail Room: Show shipment date and registry number.
 - Shipping Room: Show shipment date; bill of lading number, initial invoice; invoice to be placed in administrative file.

Enclosure *4* MAIL ROOM

AIRTEL

JUN 10 1986

To: Director, FBI
(Attn: Photographic Processing Unit, Room 1B903)

004490

Date: 6/3/86

From: SAC, PHILADELPHIA (194-C-361) (HRA) (P)

9861 0 - NNC

Subject: R. BUDD DWYER, TREASURER OF PENNSYLVANIA; ET. AL.; HOBBS ACT; CONSPIRACY; ITAR - BRIBERY; MF; PERJURY
(OO: PH)

FBIHQ USE ONLY		Initials	Date
Received		<i>Cal</i>	6/6/86
Developed			
Printed			
Enlargements			
Slides			
Copied			
Other			

1. ENCLOSED PHOTOGRAPHIC WORK RELATES TO:
 Current Investigation Mug Shot Other

2. ENCLOSURE(S)

2 documents

Film To Be Processed			
Size	Color	B&W	Quantity
4x5			
135			
126			
120			
Slides			

Movie Film or Microfilm			
Size	Color	B&W	Quantity
16mm			
35mm			
8(super)			
70mm			
AHU			

Negatives To Be Printed			
Size	Color	B&W	Quantity
8x10			
4x5			
135			
120			
126			
220			
110			

Other	
Item	Quantity
Pages	2

3. WORK REQUESTED

<p>Processing</p> <p><input type="checkbox"/> Process only</p> <p><input type="checkbox"/> Process & make print</p> <p><input type="checkbox"/> Process & make contact print</p> <p><input type="checkbox"/> Slides to be processed</p> <p><input type="checkbox"/> Slides to be duplicated</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p>	<p>Prints To Be Made (From 135, 126, and 110)</p> <p><input type="checkbox"/> 3 1/2 x 5 <input type="checkbox"/> 5x7</p> <p>_____ # prints from each frame</p> <p><input type="checkbox"/> Color <input type="checkbox"/> B&W</p> <p>(From 120 and 4x5)</p> <p><input type="checkbox"/> 4x5 <input type="checkbox"/> 8x10</p> <p>_____ # prints from each frame</p> <p><input type="checkbox"/> Color <input type="checkbox"/> B&W</p>	<p>Prints To Be Made (Prints from slides)</p> <p><input type="checkbox"/> 3 1/2 x 5</p> <p><input type="checkbox"/> 5x7</p> <p><input type="checkbox"/> 8x10</p>	<p>Custom Prints (From any size negative or slide)</p> <p>Quantity _____</p> <p>Size _____</p> <p><input type="checkbox"/> Color <input type="checkbox"/> B&W</p>
--	---	---	---

4. REMARKS

(include trial date or other mandatory deadline and any other specific instructions)

Trial in this matter scheduled for 7/15/86. However, these exhibits are needed by 7/1/86. The two legal pages enclosed are important in upcoming trial and need to be photographed and enlarged to allow the United States Attorney to use as a trial exhibit. Enlargements should allow the jury to follow along with the witness. On 6/2/86, this was discussed with [redacted] FBIHQ. Questions should be referred to SA [redacted] or [redacted] Finished product should be sent directly to the Harrisburg RA, P. O. Box 3127, Harrisburg, PA 17108, and include originals.

194-4683-

3 SEP 24 1986

Service By Air

004490

RSJ CR

117 JAN 20 1987

THIS FORM MUST BE TYPED

To: Director, FBI
(Attn: Photographic Processing Unit, Rm. 1B903 TL151)

AIRTEL

From: SAC, PHILADELPHIA (194-C-361) (HRA) (P) Cost Code:

Date: 8/26/86

Subject: R. BUDD DWYER, TREASURER OF PENNSYLVANIA; ET. AL.; ITAR - BRIBERY; PERJURY; MF; CONSPIRACY
(OO: PH)

Unclassified Confidential Secret

Budd Dwyer

8601258

⊗

ENCLOSURES: 7

CONTACT FOR INFORMATION:

FTS-
Commercial 717 232-8686

SEP 10 1986
SMC
6/15/87

	Size	Type	Quantity
Film			
Negatives			
Prints			17
Other (specify)			

(color and black & white work will not be accepted on same request)

WORK REQUESTED:

Develop and print 1 ea. 3 1/2 x 5

Other: One enlargement of each of the enclosed Polaroid snapshots size 30 x 40. Trial in this matter scheduled for 10/1/86 and it is necessary to have all evidence available 9/23/86. Therefore, it is requested original snapshots and enlargements be sent directly to the Harrisburg Resident Agency, P. O. Box 312, Room 604 Federal Building, 3rd and Walnut Streets, Harrisburg, PA 17108. Photos and prints are requested by 9/19/86.

JUSTIFICATION: Trial

194-4683 -
NOT RECORDED
1-5-87
6 SEP 2 1986

Service By Air
367708
Shipped 9-15-86

PHOTO TECHNICIAN (Infl.) _____

FBIHQ USE ONLY

Ack: SPS, LAB

Enclosures rec'd and read with prints/slides to _____ Intl./date MAL 9-10-86

SEQ (FBIHQ ONLY)

PHOTOGRAPHIC WORK

Cost Code _____

NEGATIVES PRODUCED
(In frames)

ROLL FILM PROCESSED
(In rolls)

BULK FILM PROCESSED
(In feet)

PRINTS PRODUCED
(In final prints)

		COLOR	B&W	Intl. Date					COLOR	B&W	TRANS	Intl. Date						COLOR	Intl. Date	B&W	Intl. Date	
101	35mm			/	201	110					/	301	16mm					401	Contact	/	/	/
102	120 or 70mm			/	202	135 - 12					/	302	35mm					402	2 x 3 C	/	/	/
103	4 x 5			/	203	135 - 20					/	303	70mm					403	Cred M	/	/	/
104	8 x 10			/	204	135 - 24					/	304	105mm					404	Cred C	/	/	/
105	Dupe			/	205	135 - 36					/							405	3 1/2 x 5 M	/	/	/
106	Orig/Title			/	206	120					/							406	3 1/2 x 5 C	/	/	/
107	ed			/	207	220					/							407	4 x 5 M	/	/	/
108	Mugs			/	208	4 x 5					/							408	4 x 5 C	/	/	/
109	Portrait			/	209	8 x 10					/							409	5 x 7 M	/	/	/
110	Object			/							/							410	5 x 7 C	/	/	/
111	D.O. (FBIHQ only)			/							/							411	8 x 10 M	/	/	/
112	G&G			/							/							412	8 x 10 C	/	/	/
113	Executive (GS-16 & above)			/							/							413	11 x 14 M	/	/	/
114	Crime Scene			/							/							414	11 x 14 C	/	/	/
115	Surveillance			/							/							415	16 x 20 C	/	/	/
116	Aerial			/							/							416	20 x 24 C	/	/	/
117	Other (Specify)			/							/							417	30 x 40 C	/	/	/
118	Copy			/							/							418	40 x 60 C	/	/	/
119	Fig.			/							/							419	DOC	/	/	/
120	Slide			/							/							420	Trans	/	/	/
TOTAL				/							/											

WORK REQUESTS

Priority	In-House	In	Out	Total
1				
2				
Total				

Year to Date

BPA		
	TIMES USED	AMT SPENT
BR		
Supplies		
Emerg. Color		

Silver Recovery Turn Ins	
Gallons	
Troy Ounces	

Training Provided		
	Prep Hrs.	Class Hrs.
FBI		
Other		

Video Work (Hrs.)	
Training	
Case work	
Other (Specify)	

Handwritten mark resembling a stylized 'H' or '4'.

Handwritten notes and signatures at the bottom right of the page.

FORMS:TEXT HAS 1 DOCUMENT

INBOX.27 (12478)

TEXT:

PH020022225

OO HQ

ODE PH

0222225 JAN87

FM SAC PHILADELPHIA (194C-361)(P)(HRA)

TO DIRECTOR IMMEDIATE

BT

UNCLAS

R. BUDD DWYER

R. BUDD DWYER, TREASURER, COMMONWEALTH OF PENNSYLVANIA; ETAL

HOBBS ACT; ITAR; MAIL FRAUD; OO:PH

REFERENCED PHILADELPHIA TELCCALLS TO FBIHQ WHITE COLLAR CRIME SECTION 1/22/87.

FOR THE INFORMATION OF FBIHQ R. BUDD DWYER, TREASURER OF THE COMMONWEALTH OF PENNSYLVANIA WAS SCHEDULED FOR SENTENCING ON 1/23/87.

HE CALLED A PRESS CONFERENCE AT 10:30 A.M. ON 1/22/87 AT WHICH TIME HE HANDED OUT APPROXIMATELY A FORTY PAGE STATEMENT WITH A COVER LETTER

ATTACHED DIRECTING THE STATEMENT TO THE HONORABLE JOSEPH BIDEN UNITED STATES SENATOR CHAIRMAN, SENATE JUDICIARY COMMITTEE. THE STATEMENT

CONTAINED HIS SIDE OF THE FACTS CONCERNING THE INVESTIGATION AND

PROSECUTION OF HIM IN CONNECTION WITH THE BRIBERY ACTIVITIES CONCERNING

MAR 17 1987

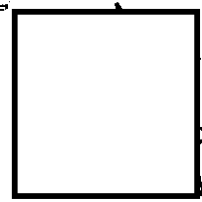
Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	b6
Asst. Dir.:	
Adm. Servs.	b7C
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	



Handwritten signature/initials in a circle

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b7C

194-4683-52



60 SEP 21 1987

PAGE TWO, PH194C-361, U N C L A S

THE CTA CORRUPTION CASE WHICH IS ONGOING FOR THE LAST TWO AND HALF YEARS AT THE HARRISBURG RESIDENT AGENCY. AFTER HE HANDED OUT THE STATEMENT HE MADE SOME BRIEF REMARKS HANDED OUT SOME ENVELOPES TO SOME OF HIS AIDES AND THEN TOOK A REVOLVER PUT IT IN HIS MOUTH AND COMMITTED SUICIDE.

THE STATEMENT WILL BE FACSIMILE TO THE WHITE COLLAR CRIME SECTION ON THE AM OF 1/23/87. ANY INQUIRIES REGARDING THIS MATTER SHOULD BE DIRECTED TO SSRA OF THE HARRISBURG RESIDENT AGENCY. FBIHQ WILL BE KEPT APRISED OF FURTHER DEVELOPMENTS AS THEY UNFOLD.

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BT

---->

From: Director, FBI
(Attn: Photographic Process, Rm. 1B903 TL151)

AIRTEL

To: SAC, PHILADELPHIA (194-C-361) (RRA) (P) Cost Code:

Date: 8/26/86

Subject: *W 6/1/86*
50
MG
① *Budd Dwyer*
B. BUDD DWYER, TREASURER OF
PENNSYLVANIA; ET. AL.; ISTAR -
BRIEBRY; PERJURY; LF; CONSPIRACY
(OO: PH)

Unclassified Confidential Secret

SEP 10 1986
SM
6/15/86
JS

ENCLOSURES: 7

CONTACT FOR INFORMATION:

FTS-
Commercial 717 232-8686

	Size	Type	Quantity
Film			
Negatives			
Prints			7
Other (specify)			

(color and black & white work will not be accepted on same request)

WORK REQUESTED:

Develop and print 1 ea. 3 1/2 x 5

Other: One enlargement of each of the enclosed Polaroid snapshots size 30 x 40. Trial in this matter scheduled for 10/1/86 and it is necessary to have all evidence available 9/23/86. Therefore, it is requested original snapshots and enlargements be sent directly to the Harrisburg Resident Agency, P. O. Box 312, Room 604 Federal Building, 3rd and Walnut Streets, Harrisburg, PA 17102. Photos and prints are requested by 9/19/86.

JUSTIFICATION: Trial

Service By Air
367708 194-4683
Shipped - 9-15-86

PHOTO TECHNICIAN (Int.) _____

NOT RECORDED

6 JAN 5 1987

W/W/MAL 9-10-86
SPECIAL INSTRUCTIONS

- Mail Room: Show shipment date and registry number.
- Shipping Room: Show shipment date; bill of lading number, initial invoice; invoice to be placed in administrative file.

Enclosure *CC*

MAIL ROOM *[Signature]*

SAC, Philadelphia (194-361)
Attention: SA [redacted]

4/10/87

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Director, FBI

Budd Dwyer
R. BUDD DWYER, TREASURER OF PENNSYLVANIA;
ET AL;
HOBSBS ACT; MP; CONSPIRACY; PERJURY

WT

OO: Philadelphia

A technical review of the polygraph examination documents pertaining to the examination of [redacted] on 2/6/87 has been completed. This review disclosed that the examination is satisfactory in all aspects and review personnel concur with the results of the examination.

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All documents are enclosed herewith, for appropriate filing.

Enclosures (14)

1 - Philadelphia (94-454)

[Signature]
ED:VF (5)

[Handwritten mark]

MAILED 2
APR 13 1987
FBI

DE-15
V-98

194-4683-53

2. [Handwritten]

- Exec AD Adm. _____
- Exec AD Inv. _____
- Exec AD LES _____
- Asst. Dir.:
- Adm. Servs. _____
- Crim. Inv. _____
- Ident. _____
- Insp. _____
- Intell. _____
- Lab. _____
- Legal Coun. _____
- Off. Cong. & Public Affs. _____
- Rec. Mgnt. _____
- Tech. Servs. _____
- Training _____
- Telephone Rm. _____
- Director's Sec'y _____

RSGH/LW

MAY 15 1987

MAIL ROOM

TO: **DIRECTOR, FBI**

Date **2/6/87**

FROM: SAC, Philadelphia
 SUBJECT: R. BUDD DWYER;
 ROBERT B. ASHER;
 ET. AL.; HOBBS ACT; MF;
 ITAR; CONSPIRACY
 (OO: PH)

Bureau File Number
194-C-361
 Field Office File Number
PA 4220
 Serial or RA Number
 Agent's Social Security No.

X if a joint operation with:
 (identity of other agency)
 X if case involves corruption of a public official (Federal, State or Local)

Investigative Assistance or Technique Used
 Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? No Yes - If Yes, rate each used as follows:
 1 = Used, but did not help 3 = Helped, substantially
 2 = Helped, but only minimally 4 = Absolutely essential

1. Acctg Tech Assistance	Rating	8. Eng. Sect. Tape Exam	Rating	15. Photographic Coverage	Rating	22. Telephone Toll Recs
2. Aircraft Assistance		9. Hypnosis Assistance		6. Polygraph		23. UCO Group I
3. Computer Assistance		10. Ident Div Assistance		7. Search Wa Executed		24. UCO Group II
4. Consensual Monitoring		11. Informant Information		8. Show Mon Usage		25. UC Other
5. ELSUR - FISC		12. Lab Div Exams		9. Surveill. Sq (SOG) Ass		26. NCAVC/VI-CAP
6. ELSUR - Title III		13. Lab Div Field Supp		10. Visual Inva Action		27. Visual Inva Analysis (V)
7. Eng. Sect. Field Support		14. Pen Registers		11. Tech. Agt. Tech Equip		

Budd Dwyer

A. Preliminary Judicial Process (Number of subjects)		-Complaints	Informations	Indictments	D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP)			(Explain valuation in remarks)			
					Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented		
B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subj.)		Subject Priority*									
		A	B	C							
FBI Arrests -											
FBI Locates -											
Local Arrests -											
FBI Subj. Resisted _____; Armed _____		Subpoenas Served									
		Criminal Summons									
		Local Crim. Summons									
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)					E. Civil Matters						
Hostages Held By Terrorists _____; All Other Hostage Situations _____					Government Defendant						
Missing or Kidnaped Children Located _____					Government Plaintiff						
					Amount of Suit						
					Settlement or Award						
					Enter AFA Payr						
F. Final Judicial Process: Judicial District MD PA					Conviction or Pretrial Div. Date 12/18/86						
					Sentence Date 1/23/87						
					No. of Subjects b7C						
					Acquitted b7E						
Subject 1 Subject Description Code* - 6Q		Subject 3 Subject Description Code* -									
<input checked="" type="checkbox"/> Felony		Conviction			Combined Sentence						
		Title	Section	Counts	In-Jail Yrs Mos	Suspended Yrs Mos	Probation Yrs Mos				
<input type="checkbox"/> Misdemeanor		18	371	1	see remarks						
<input type="checkbox"/> Plea		18	1952 (a)	4	Total Fines \$						
<input checked="" type="checkbox"/> Trial		18	1341	5	Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.						
<input type="checkbox"/> Pretrial Diversion		18	1623	1							
Subject 2 Subject Description Code* - 8A		Subject 4 Subject Description Code* -									
<input checked="" type="checkbox"/> Felony		Conviction			Combined Sentence						
		Title	Section	Counts	In-Jail Yrs Mos	Suspended Yrs Mos	Probation Yrs Mos				
<input type="checkbox"/> Misdemeanor		18	371	1	1						
<input type="checkbox"/> Plea		18	1952 (a)	4	Total Fines \$ 205,000						
<input checked="" type="checkbox"/> Trial		18	1341	5	Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.						
<input type="checkbox"/> Pretrial Diversion		18	1623	1							

Attach additional forms if reporting final judicial process on more than four subjects, and submit a final disposition for (R-84) for each subject.

Remarks: (For every subject reported in Sections A, B or F above, provide name, DOB, race*, sex, and POB and SSAN if available.) Subject #1, R. Budd Dwyer, Treasurer, Commonwealth of Pennsylvania, convicted in trial by jury, Williamsport, Pa., of 11 counts as set forth above. On 1/22/87, one day prior to his scheduled sentencing, Dwyer, at a press conference, committed suicide. On 1/28/87, subject #2, Robert B. Asher, former Pennsylvania State Republican Chairman, was sentenced in Williamsport, Pa., by U. S. District Judge Malcolm Muir to custody of the AG for one year and one day on each of 11 counts set forth above. The sentences are to be served concurrently. In addition, Asher ordered to pay total fines of \$205,000.

APR 11 1981

Property Type Codes*	
Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
11	Weapons or Explosives
20	All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevented (PELP) Type Codes*	
Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

*Except for cash, the Remarks section must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*
- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Empl - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

All Others:

- 8A All Other Subjects (not fitting above categories)

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Instructions

Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

Claiming Non-Federal Arrests, Summonses, Recoveries or Convictions:

It is permissible to claim a local arrest, summons, recovery or conviction if the FBI significantly contributed to the accomplishment. A succinct narrative setting forth the basis for the claim must accompany this report. When claiming a local recovery, enter the word "LOCAL" to the right of the amount. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

1. The subject becomes a fugitive after conviction but prior to sentencing.
 2. The subject dies after conviction but prior to sentencing.
- An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

- Since more than one IA/T could have contributed to the accomplishment, each IA/T used must be rated.
- The IA/T used must be rated **each time** an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

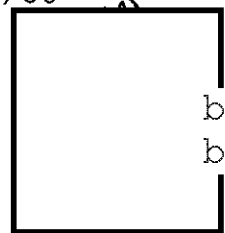
Race Codes:

- C = Chinese; I = Indian/American; J = Japanese; N = Negro; O = All other; U = Unknown; W = White

FILE

12/23/86

MMA



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b7C

JUDGE:

RE: R. BUDD DWYER,
TREASURER OF PENNSYLVANIA;
ET AL;
HOBBS ACT; CONSPIRACY;
ITAR - BRIBERY; MF
OO: PHILADELPHIA

Budd Dwyer

SYNOPSIS: On 12/18/86, R. Budd Dwyer, Treasurer of Pennsylvania, and former Pennsylvania Republican Chairman Robert Bruce Asher were found guilty by a trial jury, U. S. Federal Court, Middle District of Pennsylvania (MDPA), on all counts as charged.

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DETAILS: This case was initiated on 7/6/84 upon receipt of information from the Office of Auditor General for the Commonwealth of Pennsylvania indicating that John Torquato, hidden owner of Computer Technology Associates (CTA), influenced the Legislature of the Commonwealth of Pennsylvania to pass legislation giving the Treasurer, R. Budd Dwyer, the authority to collect \$25 million in over-payments made by Commonwealth employees to the Social Security sick leave system. In exchange, for granting the collection contract to CTA, Torquato would pay \$300,000 to Dwyer, \$100,000 to David I. Herbert, Director of Social Security for Public Employees for the Commonwealth of Pennsylvania, and \$200,000 to others including former Pennsylvania Republican Chairman Robert Bruce Asher.

On 10/22/84, a Federal grand jury, Harrisburg, Pennsylvania, indicted: Torquato; Herbert; Judy Ellis, President of CTA; William T. Smith, attorney and political figure in Harrisburg; and Alan R. Stoneman. The indictment disclosed that attempts were made

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Torquato pled guilty and testified against the other defendants leading to their convictions in the May of 1985.

- 1 - Mr. Revell
- 1 - Mr. Baker
- 1 - Mr. Clarke
- 1 - [Redacted]
- 1 - Mr. Daniels
- 1 - [Redacted]
- 1 - [Redacted]
- 1 - [Redacted]

194-4685-55

MAR 13 1987

FILE

W *SJA*

MRF:daj (9)

UNCLASSIFIED

On 5/13/86, a FGJ, Middle District of Pennsylvania, Harrisburg, Pennsylvania, returned an indictment charging Dwyer and Asher with Conspiracy, Mail Fraud, ITAR-Bribery, and Perjury. The Perjury charge stems from testimony of Dwyer and Asher at the May, 1985 trial of the other defendants in this case.

CURRENT DEVELOPMENTS: During the one month trial, the U. S. Attorney's Office, MDPA, produced documents and testimony resulting in the guilty verdict following four days deliberation. Testimony was also produced disclosing the attempted bribery of [redacted] with the subjects in this case. However, no consideration is being given by the U. S. Attorney's Office, MDPA, regarding prosecution [redacted] b6 b7C

KIC/DAK
Floyd I. Clarke

Q/A
UNCLASSIFIED

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 1/23/87

FTG/mf

1 TO: DIRECTOR, FBI
 2 ATTENTION: OFFICE OF CONGRESSIONAL AND PUBLIC AFFAIRS
 3 AND
 4 WHITE COLLAR CRIME SECTION,
 5 CRIMINAL INVESTIGATIVE DIVISION

6 FROM: SAC, PHILADELPHIA (194C-361) (HRS) (P)

7 SUBJECT: R. BUDD DWYER, *Bud Dwyer*
 8 TREASURER OF PENNSYLVANIA;
 9 ET AL;
 10 HOBBS ACT, MAIL FRAUD, CONSPIRACY
 11 (OO: PHILADELPHIA)

12 Enclosed for the Bureau are two copies of a document
 13 distributed by Former Pennsylvania State Treasurer R. BUDD
 14 DWYER at a press conference in Harrisburg, Pa., on 1/22/87,
 15 immediately prior to Mr. DWYER's suicide.

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16 The enclosed document consists of a letter from Mr.
 17 DWYER to Senator JOSEPH BIDEN, Chairman, Senate Judiciary
 18 Committee, and U.S. Congressman PETER W. RODINO, Jr., Chairman,
 19 House Judiciary Committee, regarding his conviction in the
 20 captioned matter. There are six attachments to this letter
 21 which address the following issues or topics:

- A) Reform the "Justice" System - Reforms for the U.S. Attorney's Office.
- B) Reform the "Justice" System - Outline of the U.S. Government's Questionable Use of Plea Bargains.

4183-56

- 3 - Bureau
- 2 - Office of Congressional and Public Affairs
- 1 - White Collar Crime Section, CID
- 1 - Philadelphia (194C-361) (HRA)

ERL:pep
(4)

Approved: _____ Transmitted _____ (Number) (Time)

SEE ADDENDUM, page 6, CID
 See OCPA Addendum, page 8
 See Addendum, Inspection Division, page 9

26 FEB 11 1987

(COVER)

18

D A D / a p e
1/28/87
10:51 am

OFFICE OF
PUBLIC AFFAIRS
FEB 2 1 16 PM '87

RECEIVED
INSPECTOR GENERAL
FEB 26 8 38 AM '87

RECEIVED
INSPECTOR GENERAL
MAR 10 2 50 PM '87

RECEIVED-F.B.I.
FEB 24 3 20 PM '87
WHITE-COLLAR
CRIMES SECTION
U.S. DEPT. OF JUSTICE

- C) Reform the "Justice" System - Restore the Grand Jury.
- D) Reform the "Justice" System - Abolish FBI Bonuses (Bounties) and "Leaks."
- E) An untitled document on stationery of the Office of State Treasurer of the Commonwealth of Pennsylvania, regarding the accomplishments of the State Treasurer during Mr. DWYER's term in office.
- F) A press statement by State Treasurer R. BUDD DWYER, dated 1/22/87.

The enclosed document is a lengthy statement by Mr. DWYER concerning situations and issues which he purports constitute abuses of our judicial system. Among the issues cited by Mr. DWYER are certain situations which concern the conduct of FBI personnel involved in the captioned investigation. Mr. DWYER does not present any substantive basis to conclude that the conduct of FBI personnel was inappropriate. For the most part, his references to FBI personnel are associated with allegations that FBI personnel leaked unspecific information concerning this investigation to members of the press. It appears that the basis for Mr. DWYER's allegation rests solely upon the fact that FBI personnel were seen conversing in public with members of the media during the course of the investigation.

The following information is set forth to facilitate a review of the enclosed document:

Cover Letter, Page 1, Paragraph 5, Number 1:

Mr. DWYER recommends a code of ethics be established for FBI personnel.

Cover Letter, Page 2, Paragraph 1, Number 2:

Mr. DWYER recommends steps be taken to abolish leaks by the FBI and bonus payments being made to FBI personnel.

Attachment 1, Page 1, Number 1, Paragraph 2:

Mr. DWYER alleges that the media was alerted to his appearances before the Federal Grand Jury and that leaks of his Grand Jury testimony occurred. He does not address this allegation to any specific individual or entity.

PH 194C-361

Attachment 1, Page 2, Number 2, Paragraph 1:

Mr. DWYER recommends that FBI Agents be prohibited from holding public office or serving as a defense attorney for five years following their separation from duty.

Attachment 2:

This attachment focuses on the conduct of Acting United States Attorney JAMES WEST, Middle District of Pennsylvania, and the plea bargain which was struck by the Government with JOHN TORQUATO and others. No reference is made to the FBI or its personnel in this attachment.

Attachment 3:

This attachment deals with Mr. DWYER's claim that our Grand Jury system is under the totalitarian control of a United States Attorney. DWYER claims he was denied an opportunity to personally present his case before the Federal Grand Jury by Mr. WEST. He also presents an argument that a defendant's attorney be permitted to accompany him into the Grand Jury room. No reference is made in this attachment to the FBI or its personnel.

Attachment 4:

This attachment specifically deals with the FBI.

Page 1, Paragraphs 2 and 3:

Mr. DWYER indicates that it is not possible to determine the amount of bonuses paid to FBI personnel in a specific office, even through the filing of an FOIA request. He recommends that bonuses for FBI personnel be abolished because they tend to influence the performance of investigative personnel.

(Philadelphia notes that an FOIA request was filed in this matter by Mr. DWYER for information regarding bonuses paid to members of the Harrisburg Resident Agency. This request was denied by FBIHQ.)

Page I, Paragraph 4:

Mr. DWYER alleges that Special Agents of the Harrisburg Resident Agency leaked information to the media in this case. The basis for his allegation rests upon the following tenets:

- A) An Agent had lunch with a member of the press who thereafter wrote a series of articles concerning this investigation, which contained information that had been previously undisclosed to the public.
- B) Two FBI Agents were observed talking to a member of the media by a Grand Jury witness.
- C) Mr. DWYER's attorney met with Department of Justice officials in Washington (to include one from Harrisburg). A few days later, information regarding the meeting appeared in the press.

(While this disclosure to the media is presented by Mr. DWYER to buttress his allegation that FBI personnel leaked information to the press, it is noteworthy that in a subsequent attachment he indicates the meeting was attended by Acting United States Attorney JAMES WEST and makes no mention of the attendance of FBI personnel at the meeting.) b6 b7C

Attachment 5:

This attachment details the accomplishments of Mr. DWYER during his term in office. No reference is made in the attachment to the FBI or its personnel.

Attachment 6:

This attachment consists of Mr. DWYER's press statement on 1/22/87. The FBI is mentioned at several points in the statement:

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Page 11, Number 3:

An [redacted] was allegedly subpoenaed to testify before the Federal Grand Jury in this investigation on 11/27/84. DWYER alleges that when the unidentified employee appeared, the Grand Jury was not in session. He claims that the employee was subpoenaed as a ruse solely to permit the employee's interview by SA [redacted] of the Philadelphia Office. He further alleges that threats were used during the interview in an attempt to obtain false information and that an allegation was falsely made to the interviewee to the effect that [redacted] had offered to pay the employee's mortgage in return for a favor regarding his handling of a contract. DWYER indicates that this employee was a renter as a basis for his claim that false allegations were made to the employee.

Page 11, Number 4:

On 7/30/85, DWYER alleges that SA [redacted] of the Philadelphia Office had lunch with a member of the press. Several days later the same reporter wrote a series of articles pertaining to the captioned investigation which contained previously undisclosed material.

Pages 11 and 12:

On 10/29/85, SAs [redacted] and [redacted] were observed speaking with a member of the press "about the case." (No specifics are provided by Mr. DWYER regarding his conclusion that the noted conversation concerned this investigation.)

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Page 17, Paragraph 4:

Mr. DWYER mentions the actions of SAs [redacted] and [redacted] along with other individuals, were a discredit to the system of justice.

OBSERVATIONS OF SAC, PHILADELPHIA:

The enclosed document is a lengthy diatribe by Mr. DWYER against those who participated in his investigation and conviction in the captioned matter.

Although Mr. DWYER cites alleged leaks of information in this case by the FBI to members of the media, he provides no specific basis for his allegation other than the fact that FBI personnel were observed conversing with the media. In addition, he infers that the FBI's use of performance awards for its investigative personnel constitutes an inappropriate incentive for its personnel to seek information which will yield the conviction of a public official.

It is apparent from a review of the document that both of Mr. DWYER's allegations regarding FBI personnel lack substance and merit no further action. In view of that fact, SAC, Philadelphia, has declined to comment upon this matter in response to inquiries from members of the media.

ADDENDUM: CRIMINAL INVESTIGATIVE DIVISION (CID) MRF:dag 1/29/87

By airtel dated 1/23/87, SAC, Philadelphia provided the White-Collar Crimes Section, Public Corruption Unit, FBIHQ, with copies of documents distributed to the members of the press in Harrisburg, Pennsylvania, by R. Budd Dwyer, former Treasurer of Pennsylvania. Dwyer distributed the documents just prior to issuing a press statement and then committing suicide by shooting himself in the mouth on 1/22/87. The airtel indicates that copies of Dwyer's documents were sent to U. S. Senator Joseph Biden, Chairman, Senate Judiciary Committee and U. S. Congressman Peter W. Rodino, Jr., Chairman, House Judiciary Committee.

Investigation of Dwyer was initiated on 7/6/84 on a referral of information from the Office of Auditor General, Commonwealth of Pennsylvania, which predicated the case entitled, "R. BUDD DWYER, TREASURER OF PENNSYLVANIA, ET AL; HOBBS ACT; OO: PHILADELPHIA." The investigation revealed that John Torquato, hidden owner of Computer Technology Associates Incorporated (CTA) of California, agreed to pay Dwyer \$300,000 in exchange for a data processing contract for CTA with the Social Security for Public Employees for the State of Pennsylvania. Dwyer, as Treasurer, had sole authority to grant the contract.

Dwyer was indicted by a Federal grand jury, Harrisburg, Pennsylvania, on 5/13/86, in violation of Conspiracy, Mail Fraud, Interstate Transportation in Aid of Racketeering (ITAR) - Bribery, and Perjury, and convicted by trial jury on all counts in U. S. District Court on 12/18/86. He was scheduled to be sentenced on 1/23/87. Also indicted and convicted in this case were David I. Herbert, Director of Social Security for Public Employees for the State of Pennsylvania, Robert Asher, State Republican Chairman, and three others, all acting in a scheme and conspiracy to accept some \$600,000 from Torquato in exchange for the contract for CTA.

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Referenced Philadelphia airtel contained Dwyer's allegations against FBI and U. S. Attorney personnel. Dwyer alleges that SAs [redacted] and [redacted] leaked information about the case to the press. Although Dwyer was not specific on the facts of this allegation, he alleged that SA [redacted] was seen having lunch with a member of the press who later wrote a series of articles on the case and that SAs [redacted] and [redacted] were seen speaking to a member of the press. Dwyer provided no specifics regarding what the Agents supposedly discussed nor who witnessed these alleged meetings.

The other points made by Dwyer would appear to be his opinion and conclusions about the system of justice, the abuse of the grand jury by the U. S. Attorney, the payment of bonuses to FBI Agents, prohibition for five years of former U. S. Attorneys and/or FBI Agents from holding public office or acting as defense attorneys, and the ethical conduct of U. S. Attorney James West, Middle District of Pennsylvania.

SAC, Philadelphia recommends no further action be taken on this matter in view that Dwyer's allegations are lacking in substance and specificity.

On 1/29/87, SSRA [redacted] Harrisburg Resident Agency was contacted relative to this matter. SSRA [redacted] advised that no leaks of information occurred during the course of this investigation and that no newspaper articles appeared about this case prior to the indictment stage. He also advised that there have been no other allegations or complaints against SA [redacted] or [redacted] nor has there been any other complaint of misconduct by the FBI or the U. S. Attorney.

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CID concurs with SAC, Philadelphia that in the absence of any additional or specific information, this matter merits no further action.

J

APPROVED:

Director _____	Adm. Servs. _____	Laboratory _____
Exec. AD-Adm. _____	* Crim. Inv. <i>J</i>	Legal Coun. _____
Exec. AD-Inv. _____	Ident. _____	Off. of Cong. & Public Affs. _____
Exec. AD-LES _____	Inspection _____	Rec. Mgnt. _____
	Intell. _____	Tech. Servs. _____
		Training _____

* This should be reviewed by OPR for their assessment and/or recommendation(s).

Airtel to DIRECTOR, FBI
 from SAC, PHILADELPHIA
 Re: R. BUDD DWYER,
 TREASURER OF PENNSYLVANIA;
 ET AL;
HOBBS ACT, MAIL FRAUD, CONSPIRACY
(OO: PHILADELPHIA)

ADDENDUM: OFFICE OF CONGRESSIONAL AND PUBLIC AFFAIRS
 2/18/87, IBM:jmrw

W/B

The Office of Congressional and Public Affairs (OCPA) concurs with the observations of SAC, Philadelphia regarding the allegations of the late R. Budd Dwyer concerning actions that he perceived as improper by FBI employees. SAC, Philadelphia has concluded that Mr. Dwyer's allegations lack substance and merit no response to inquiring members of the media. OCPA recommends no further action regarding FBI press policy concerning this matter.

APPROVED: _____	Adm. Serv. _____	Laboratory _____
Director _____	Crim. Inv. _____	Legal Coun. _____
Exec. AD Adm. _____	Ident. _____	Off. of Cong. & Public Affs. <i>WB/MS</i>
Exec. AD Inv. _____	Inspection _____	Rec. Mgnt. _____
Exec. AD LES _____	Intell. _____	Tech. Servs. _____
		Training _____

↓
 (OVER)

AIRTEL FROM SAC, PHILADELPHIA, DATED 1/23/87
RE: R. BUDD DWYER,
TREASURER OF PENNSYLVANIA; ET AL;
HOBBS ACT, MAIL FRAUD, CONSPIRACY
(OO: PHILADELPHIA)

ADDENDUM, INSPECTION DIVISION, LCU:mfs, 3/5/87:

The Office of Professional Responsibility, Inspection Division, has reviewed the information provided in this airtel and its enclosures. After a thorough review of this matter, OPR has concluded that Mr. Dwyer's allegations against FBI employees are not worthy of further consideration. On 2/10/87, a copy of this airtel and its enclosures were presented to Richard M. Rogers, Deputy Counsel, Office of Professional Responsibility, Department of Justice, and following his review of the matter and discussion with OPR/FBI [redacted] Mr. Rogers advised that Mr. Dwyer's allegations were not worthy of further consideration and were insufficient to predicate an investigation concerning alleged misconduct on the part of DOJ employees.

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APPROVED:	Adm.Servs. _____	Laboratory _____
	Crim.Inv. _____	Legal Coun. _____
Director _____		Off. of Cong. & Public Affs. _____
Exec.AD-Adm. _____	Ident _____	Rec.Mgmt. _____
Exec.AD-Inv. _____	Inspection <u>4/0</u>	Tech. Servs. _____
Exec.AD-LES _____	Intell. _____	Training _____



Commonwealth of Pennsylvania
Office of the State Treasurer
Harrisburg
17180

R BUDD DWYER
TREASURER OF PENNSYLVANIA

JOSEPH BIDEN
The Honorable ~~Strom Thurmond~~
United States Senator and
Chairman, Senate Judiciary
Committee
Room 210-Russell Bldg.
Washington, DC 20510

The Honorable Peter W. Rodino, Jr.
United States Congressman
Chairman, House Judiciary
Committee
Room 2462 Rayburn Office Bldg.
Washington, DC 20515

BIDEN
Dear Senator ~~Thurmond~~ and Congressman Rodino:

The purpose of this letter is to respectfully request you in your capacity as Chairman of the Judiciary Committee to conduct a full-fledged investigation of what is known in Pennsylvania as the "CTA scandal". As a former high school teacher of Problems of Democracy and an elected official for over 20 years, I was naive about our legal system. I thought it was ideal, and I did not realize it could be used for political persecution. I did not pay attention to the investigative reports, or the work of various organizations attempting to promote the creation of a justice system in fact as well as in name here in the United States because I was taught that if I obeyed the laws and was a good citizen, I would be one of the 95% of our population who never became involved with our criminal legal system.

Then my idealism was suddenly destroyed. I became a victim of political persecution right here in the United States, which I never thought could happen!

I know what happened to me and why it happened because many people from a variety of sources have provided me with various pieces of information which together tell the story. Unfortunately, I have only the oral word from many of these people. I have written out everything that has been told to me which tells the full story of why, how and by whom I was politically persecuted. This information can be made available to the proper legal authorities by certain people who have a copy of the story.

You are the only ones who can make positive changes and move our legal system closer to our ancestors' goal of having a true system of justice here in the United States. You have subpoena power and the important power to grant immunity to people who reveal the truth to you. Many of my staff, friends and family will be pleased to assist you and share my unpublished story with you.

In addition, based on my experiences with our legal system, I request you to enact legislation in the following areas:

1. The establishment of a Code of Ethics and Conduct for U.S. Attorneys, their assistants and members of the Federal Bureau of Investigation.

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2. Halt abuses and excesses by U.S. Attorneys and their assistants in the utilization of plea bargains and various other types of legal "deals".
3. The restoration of Federal Grand Juries to their historic purpose of protecting citizens, thereby uplifting them from the prosecutor's "rubber stamp" function to which they have fallen.
4. The abolition of leaks and bonus payments to FBI agents.

Enclosed are four short papers regarding some of the above suggestions. They tell part of my story. (You have the power to develop the conclusion.) They are based on my personal experience.

Please investigate these matters and enact legislation to correct these problems.

It's too late to help me, but it is not too late to help others, perhaps including you. It is what our forefathers in 1776 and the delegates to our Constitutional Convention in 1787 in Independence Hall would want you to do.

If you do not do it now, someone will have to do it later if any semblance of a justice system is to survive in the United States and, in the meantime, many other innocent people like my family and me will have suffered unjustly. Until this occurs, I suggest that the word "Justice" be removed from the Department of "Justice" buildings, stationery, forms, I.D. Cards, badges, subpoenas, etc. and a blank left in place of the word "Justice" as a reminder to that Departments' staff members and the citizens of the United States that we do not have a true "Justice" system in the United States.

Thank you very much for your consideration.

Sincerely,



R. BUDD DWYER
TREASURER OF PENNSYLVANIA

Enclosures

cc: U.S. House Judiciary Committee and staff
U.S. Senate Judiciary Committee and staff
Pennsylvania Congressional Delegation

ATTACHMENT #1

REFORM THE "JUSTICE" SYSTEM - REFORMS FOR THE U.S. ATTORNEY'S OFFICE

Supreme Court Justice John Marshall once said in an opinion, "The power to tax involves the power to destroy." Justice Marshall would have been equally perceptive if he had said, "The power to unfairly prosecute involves the power to destroy."

The position of U.S. Attorney is one of the most powerful positions in the United States government because there is no check or balance for a U.S. Attorney who abuses his position, uses the position for political gain or uses the position for a personal vendetta against innocent citizens.

My personal experience as an innocent victim of our legal system leads me to recommend the following reforms to help convert our current legal system to a true system of Justice.

- I. A U.S. Attorney should be controlled by a Code of Conduct and Ethics. If a U.S. Attorney or a member of his family is a friend, former employee or has a personal relationship with a person under investigation or an attorney representing a person being investigated, the U.S. Attorney should completely remove himself or herself from the case. The case of the CTA investigation in the Middle District of Pennsylvania (1984- ?) is an illustration of the need for a Code of Ethics and Conduct. The Acting U.S. Attorney, James West, was a former employee of Pennsylvania Governor Dick Thornburgh. West had been an Assistant U.S. Attorney when Thornburgh was U.S. Attorney for the Western District of Pennsylvania and had been appointed by Thornburgh to serve as a Pennsylvania Deputy Attorney General when Thornburgh became Pennsylvania's Governor in 1979. When Roy Zimmerman became Pennsylvania's first elected Attorney general in 1981, Zimmerman reappointed West as a Pennsylvania Deputy Attorney General.

The CTA case involved allegations of bribery to various Pennsylvania public officials. Allegations were made that bribes had been offered to Pennsylvania's Treasurer, Budd Dwyer; Attorney General, Roy Zimmerman and/or his staff members and members of Governor Thornburgh's staff. With West's two immediate former employers, Thornburgh and Zimmerman, or some of their staff members involved in the investigation, it was a situation which should have mandated that West remove himself from the investigation. Instead, he assumed full personal control of the investigation. Dwyer, although of the same political party as Thornburgh, had fulfilled his role as an independently elected official and had refused to pay various bills including some for the Governor's family. Whenever Dwyer or anyone associated with him was called before the Grand Jury, the media was somehow alerted and received leaks of the testimony as news media accounts indicate. In contrast, the

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appearances of Zimmerman's staff members before the Grand Jury were in secret and members of Thornburgh's staff were not even called before the Grand Jury as far as can be determined.

In contrast to James West's actions in the CTA investigation, during the same time frame in California, the U.S. Attorney for Southern California, Robert C. Bonner, removed himself from the investigation of the California Assembly Democratic Leader simply because Bonner had been a law partner of the Attorney representing the Assembly Leader. Bonner's commendable self-removal was a matter of his personal ethics and had nothing to do with any requirement of the U.S. Department of "Justice".

Bonner's Chief Assistant pointed out, "Rob (Bonner) has no ethical or legal obligation to recuse himself..." Los Angeles Times, page 1 METRO, December 6, 1985. Clearly, Congress should enact legislation requiring recusal by U.S. Attorneys in investigations where they have conflicts of interest. Failure to recuse themselves should lead to dismissal and prosecution for Prosecutorial Misconduct.

- II. U.S. Attorneys and Deputies and FBI agents should be prohibited from running for public office or becoming criminal defense lawyers for clients being investigated by the Federal government for a minimum of five years after leaving their positions in the U.S. Attorney's Office.

A review of candidates for state and Federal office will indicate that many candidates have served in the U.S. Department of "Justice". For example, the 1978 gubernatorial primary in Pennsylvania had three candidates who had served with the "Justice" Department in U.S. Attorney's Offices and/or in the Washington office. Former "Justice" Department lawyers won both the major party nominations.

Some lawyers serving appointments in the U.S. Attorney's offices throughout the U.S. do not appear to be as interested in seeking truth or justice as they are interested in seeking publicity and "big pelts" in the form of public officials, successful businesspeople, sports figures and others who are of interest to the news media so that the particular U.S. Attorney can become better known for a future political campaign. Other U.S. Attorneys appear to be more interested in building a big resume of prosecutions so that they can command six figure incomes as criminal defense attorneys in criminal defense law firms.

Regardless of the motive, self-serving U.S. "Justice" Department attorneys are a disservice to the general public who think their tax dollars are paying for a Justice system and

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especially to the subjects and targets of their sensational publicity seeking investigations.

One of the most basic provisions of state and municipal Codes of Ethics is that former officials and management category public employees cannot do lobbying work, or practice law in connection with their former public employer for varying lengths of time. Why then, shouldn't the U.S. Department of "Justice" from which most U.S. citizens think they are receiving objective justice and truth have a similar Code of Ethics provision for U.S. Attorney's, their assistants and FBI agents?

- III. The legal costs of those under investigation should be paid by the government if there is no indictment or if there is an indictment or no conviction. This is an obvious reform. At current legal costs, it is unfair and unAmerican for the U.S. Government to financially ruin innocent businesses, families and individuals and then walk away from them. Volumes could be written on this topic. The government already provides legal counsel for those unable to financially afford private counsel. Why then is it fair and legal to financially ruin innocent citizens who can initially afford the horrendous costs of private counsel but whose assets vanish during an investigation and trial. The costs of this gigantic step toward creating a Justice System in the United States would be comparatively minimal since the current "Justice" Department proudly boasts of a conviction rate of approximately 95%.

ATTACHMENT #2

REFORM THE JUSTICE SYSTEM - OUTLINE OF THE U.S. GOVERNMENT'S QUESTIONABLE USE OF PLEA BARGAINS

Certain very questionable activities are legal in the United States today if they are done by and for the Government. The root of this practice in the United States is in the dubious use of plea bargains by prosecutors. If these things were done by a private citizen they would probably be against the law.

Plea bargaining was originally created to save public funds and the resources of our legal system. If the evidence was overwhelming against a defendant, plea bargaining gave the prosecution and defendant's attorney the opportunity to "bargain" a recommendation to the court for a reduced sentence, and have dismissal of counts in exchange for the defendant's guilty plea to a reduced number of counts, substituted lesser counts, etc. This saved the legal system the time and financial expenditure involved with conducting a trial for a person who was guilty, but otherwise would have pursued a trial hoping that the "law of averages" or a legal technicality would result in eventual acquittal. Unfortunately, some U.S. Attorneys have abused the plea bargain process and used it in a manner far removed from the original purpose.

The following actual example from the so-called "CTA Case" in the U.S. Middle District of Pennsylvania (1984- ?) is a good illustration.

John Torquato, Jr. had bribed David Herbert, then Pennsylvania's Director of Social Security for Public Employees, to provide incomplete and false information to the Pennsylvania Treasury Department FICA recovery task force in a successful effort to steer the contract to Torquato's company. Both Torquato and Herbert admitted this bribe. Torquato admitted he directly lied to members of the Task Force. However, the State Treasurer who had awarded the contract to Torquato based on the recommendation of his Task Force, was in prosecutorial terminology a "big pelt". Thus, a plea bargain induced Torquato to provide testimony against Dwyer. Torquato had originally been indicted on 16 counts with a maximum penalty of 80 years in prison and a \$106,000 fine. Torquato's business associate and live-in girlfriend was indicted on identical counts, as were two of Torquato's companies.

The plea bargain to Torquato consisted of the following:

Torquato's 16 counts were reduced to one count with a fine of \$10,000 and the prosecutors guarantee that he would recommend a two-year prison term, which meant that Torquato would only serve a few months at the Federal prison camp of his choice. This would save Torquato almost the entire 80-year prison exposure and \$96,000 in fines. In addition, 15 counts against Torquato's business associate-girlfriend were dropped in her plea bargain and she was given a one-month sentence, required to participate in an alcohol treatment program and pay a \$5,000 fine. Thus, another potential \$101,000 in fines and 79 years and 11 months incarceration exposure were dropped by the government.

But acting U.S. Attorney James West was not finished with his favors to Torquato. Shortly before the beginning of the Smith-Stoneman trial in which

-2-

Torquato and [] were to be the key witnesses, the Acting U.S. Attorney dropped all 16 counts in the indictment against both of Torquato's companies. The result - another potential savings to Torquato of \$212,000 in fines. Total - \$96,000, plus \$101,000 to his girlfriend, plus \$212,000 equals a \$409,000 plea bargain fine forgiveness the U.S. Government to admitted felons Torquato and [] plus the massive reduction in incarceration time. Torquato also was not prosecuted for the possession of an illegal machine gun or other possible Federal offenses and another business partner, who was his father, was not prosecuted. In February of 1985, the Acting U.S. Attorney James West, appeared before Torquato's parole board to recommend further leniency for Torquato. This is unheard of while a case is still in progress.

West won the conviction of Smith and Stoneman to a great extent with Torquato's and [] testimony. The Acting U.S. Attorney next turned his attention to two "big pelts", the State Treasurer and the former Pennsylvania Republican Chairman. At his trial, Smith had truthfully testified that he and Torquato had never offered a bribe to Treasurer Dwyer in return for the personal services contract. Following his conviction, Smith was financially broke from the cost of his trial and was facing a 12-year prison sentence, but Smith stuck with his truthful testimony.

However, Smith's law partner was his wife Judy, who allegedly had heard some of the discussions when Torquato and Smith were alleged to have conspired to bribe public officials.

Four months after his conviction, Smith was told that his wife, Judy, the mother of their five-year old son and stepmother of their 13-year old child, would be indicted. Financially broke, sentenced to a 12-year prison term, and faced with the indictment of his wife and mother of his children, Bill Smith did what most b6 men, other than G. Gordon Liddy, would do. He agreed to change his trial testi b7C and corroborated Torquato's testimony. To sweeten his deal with Smith, Acting U.S. Attorney James West also agreed that if Smith lost his appeal he would recommend to the Court that Smith serve no longer than the 22 months Torquato would serve and have his fine reduced to \$10,000. There was no plea involved. Smith had been convicted and his wife, Judy, was given immunity without admitting any wrongdoing. It was a simple case of the U.S. Attorney using such inducements to obtain wanted testimony.

There is no check and balance to the U.S. prosecutors utilizing such inducements to obtain desired testimony in pursuing an innocent victim. A review of the transcript of the Smith-Stoneman trial will show that at least a dozen people testified that Torquato had given untruthful testimony and at least five people had testified that Torquato's live-in girlfriend-partner had given untruthful testimony. The State Treasurer tried to fight back against the use of the legal system to persecute him. He tried to bring a private perjury case against Torquato and [] but he was stopped cold. Why? After extensive research, Dwyer's legal staff told him that only a prosecutor could bring perjury charges. Thus, if perjured testimony benefits the government the prosecutor can choose b6 to indict the individual for perjury as has happened in this case. b7C

The ultimate irony! By now you won't be surprised to learn that it was the State Treasurer who was indicted for perjury. Research this case. The above review only scratches the surface.

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The Patriot-News Co.

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EXECUTIVE EDITOR

3-3-86
— A Free Press — Armor of the Republic —

Hold to the bargain

Not a time to talk leniency with Torquato

AT ABOUT this time last year, John Torquato Jr. was singing his head off. His song was sweet music to the ears of federal prosecutors in Harrisburg, and it played a major part in convicting several others on bribery and conspiracy charges.

But for all that, was his testimony so powerful as to justify forgiveness of a prison term to which Torquato had already agreed as part of a plea-bargaining agreement?

Acting U.S. Attorney James West thinks so, and he recently traveled to California seeking Torquato's early release from Boron Federal Prison. Torquato is completing the first year of a four-year prison sentence for conspiracy to bribe Pennsylvania state officials to direct contracts to his firm, Computer Technology Associates, also known as CTA.

West feels Torquato's "services" during the trial merit his early release from prison. As a condition of the plea-bargaining agreement which secured Torquato's testimony, West made known to the court the fact that Torquato had cooperated with the authorities and was willing to offer valuable testimony in return for leniency. Very well, U.S. Middle District Senior Judge Malcolm Muir said in effect, four years.

WE BELIEVE Torquato already has gotten as much leniency as he deserves. He was

the mastermind of the now-infamous CTA scheme, and it was he who stood to reap the most ill-gotten gains from it. Certainly, his testimony succeeded in convicting Paxtang lawyer William T. Smith, who was sentenced to 12 years, and California lawyer Alan R. Stoneman of related charges, but these men were mere players in the CTA game; Torquato was the man calling the shots.

Furthermore, no threats or promises were made to Torquato in return for his testimony. Had he not been willing to abide by the court's discretion in the plea-bargain, he should have entered a plea of innocent or held out for something better.

It also must be remembered that the CTA scandal has not yet fully unfolded. Torquato is testifying again in the trial of a former Pittsburgh City Council president charged with taking a bribe in return for casing the way for CTA to do business with that city. If Torquato succeeds in getting an early discharge from the Harrisburg sentence, what "incentive" is left for him to finish the job in Pittsburgh?

Torquato was sentenced to four years, and he should serve four years, conditional on terms of parole and good behavior. To extend to him an undeserved bouquet would further undermine a justice system already strained by the generosity of the plea-bargaining process.

The reforms are simple and obvious:

1. The U.S. Congress should enact a law providing that any prosecutor who abuses the true purpose of the plea bargain be dismissed from office and prosecuted for misconduct.
2. The U.S. Congress should enact a law providing that private perjury cases can be filed in a manner similar to other private criminal prosecutions.

Prosecutor seeks parole for CTA's Torquato

2/22/86

By Al Donalson

The Pittsburgh Press

U.S. Attorney James West, who successfully prosecuted the case against John R. Torquato Jr., the "prime mover" in the Computer Technology Associates scandal, flew to California this week to try to persuade the U.S. Parole Commission to give Torquato an early release from prison, a federal court document shows.

West's appearance on behalf of Torquato was the subject of a motion filed this week by Harold Gondelman, attorney for former City Council

President Robert Rade Stone, a defendant in a CTA-related case in U.S. District Court.

"It is unusual conduct for Mr. West to fly to California at taxpayers' expense to appear on behalf of a prisoner at a parole hearing. I feel there are matters involved which defense counsel should explore," Gondelman said.

Torquato last year received a four-year sentence from U.S. Middle District Court Judge Malcolm Muir, who denied a request by West to give the defendant a two-year term.

Torquato, testifying under a plea bargain, was the star witness last

spring in the case that resulted in the conviction of William T. Smith, former Dauphin County Republican chairman, and Alan R. Stoneman, of Orange, Calif., attorneys for CTA.

Gondelman requested and received a court order from U.S. District Court Judge Glenn Mencer, who will hear Stone's case. The order directs the Parole Commission to give Gondelman all details of West's argument on behalf of Torquato.

West said he went to Boron Federal Prison in the Mojave Desert to tell of Torquato's "crucial" cooperation in the continuing investigation of the CTA bribery-kickback case.

Torquato, whom federal prosecutors called the "prime mover" in the case, pleaded guilty to one count of conspiracy.

In exchange for payoffs and kickbacks to local and state officials, CTA was awarded a multimillion-dollar, no-bid state contract in 1984 to recover Social Security overpayments. CTA received similar contracts with the city and the county.

Stone is accused of accepting a \$4,374.86 check from Torquato, who headed California-based CTA, in exchange for his help in getting CTA a \$150,000 contract with the city.

Stone, in denying any wrongdoing,

claimed the check was for private legal work for Torquato.

Torquato is scheduled to be the first witness in the trial against Stone, which is to begin Monday.

Gondelman said he did not know of West's trip to California on behalf of Torquato until this week, when he learned Stone's trial could not start as scheduled on Tuesday because Torquato that day was scheduled to appear at the parole hearing.

Gondelman said, "In all my years as an attorney, I've never seen such conduct by a prosecutor. I want to find out what it all means."

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ATTACHMENT #3

REFORM THE "JUSTICE" SYSTEM - RESTORE THE GRAND JURY

The Grand Jury was created in England several centuries ago to protect innocent citizens from corrupt or overreaching prosecutors, and at that time was considered to be a great democratic legal reform. The Grand Jury was adopted in the U.S. upon the ratification of the 8th Amendment to our Constitution to continue this protection for U.S. citizens. Unfortunately, in recent decades the Grand Jury system in the U.S. has deteriorated to a point where it has become a rubber stamp choir for the prosecution, and instead of protecting citizens, the Grand Jury now aids the undermining of the original intent of the system and of overreaching by prosecutors against innocent citizens.

In many states and local jurisdictions, the Grand Jury has been recognized as the sham it has become, and has been abolished or modified. The Grand Jury cannot be abolished at the Federal level since the Grand Jury is required in the Bill of Rights of our Federal Constitution. Since Federal Grand Juries can't be abolished, the U.S. Congress should enact legislation providing that Grand Juries be modified from their current "choir" status to restore the historic protection for innocent citizens.

An analogy can be found in Pennsylvania government. Several decades ago, the Pennsylvania Public Utility Commission (PUC) was created to protect utility consumers from the monopolistic, self-serving and overreaching utilities. Over the years the utilities ingratiated themselves with the PUC. The consumers lost much of their protection and the PUC became known as simply the "Utility Commission".

The Pennsylvania legislature, responding to anguished pleas from consumer groups, restored a measure of protection by creating the office of Consumer Advocate whose attorneys now appear before the PUC Commissioners in opposition to the rate increase proposals being advocated by the attorneys for the utilities.

The implementation of the following similar recommendations would be a significant step to restoring the Federal Grand Jury's protection for innocent citizens.

- I. A Grand Jury "Master" or some objective person should control the Grand Jury rather than the U.S. Attorney, from whom the Grand Jury was originally supposed to provide objective protection for the innocent citizens under investigation. Under the current operation of Federal Grand Juries, the U.S. Attorney essentially exercises totalitarian power over the Grand Jury system, determining who will appear, what questions will be asked, when the Grand Jury will meet, preparing the indictments for the Grand Jury to "rubber stamp" and generally using the Grand Jury to legitimize the dubious as well as the legitimate actions of the U.S. Attorney's Office.

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For example, in July of 1985, the Pennsylvania State Treasurer through his attorney, asked to go before the Grand Jury under oath and explain the entire CTA matter under investigation as he knew it and answer any and all questions from the members of the Grand Jury. The Treasurer's request had to be made to the Acting Pennsylvania Middle District U.S. Attorney, James West, rather than the Foreman of the Grand Jury. As a statewide elected public official, the State Treasurer was a "big pelt". Acting U.S. Attorney West, of course, denied the request. Thus, the prosecutors the Grand Jury historically was to protect innocent citizens from, can prevent them from appearing before the Grand Jury. The U.S. Attorneys must be removed from their current personal "choir leader" relationship with Grand Juries as one aspect of creating a true system of Justice in the United States.

- II. Another reform for Federal Grand Juries would be to adopt the modification many other entities now use by permitting the witnesses' attorney to sit in the Grand Jury Room. The current practice of requiring the witness to leave the Grand Jury Room to consult his or her attorney in the hallway outside the Grand Jury Room is inefficient, time-consuming and leads to disjointed testimony and proceedings.

ATTACHMENT #4

REFORM THE "JUSTICE" SYSTEM - ABOLISH FBI BONUSSES (Bounties) and "Leaks"

One of the most shocking things revealed during the "CTA" investigation is that "old West style bounty hunting" was not totally abolished in the 1800's. It has resurfaced in the 1900's in the form of bonuses paid to the already well-paid FBI agents when their investigations lead to indictments and/or convictions. Indications are that the "bounties" vary according to the type of case -- whether a "big pelt" is involved, etc.

It is very difficult, if not impossible to obtain information regarding these payments, even of the most general type (such as the total amount paid the agents of a particular office over a 10-year period) even under the provisions of the Freedom of Information Act.

It's not surprising, since the publication of the "bounties" or bonus payments to FBI agents would create an uproar from the public who thinks the FBI seeks truth and justice rather than "big pelts" and bonuses.

- I. The recommendation is obvious. Abolish all bonus or "bounty" payments, rewards, awards or whatever to FBI agents other than their normal generous compensation. Until this happens, I suggest that the Federal Bureau of Investigation be renamed the Federal Bountyhunters Institute.

Another prevalent practice of some FBI agents is the "leaking" of secret Grand Jury material and investigative information. Practically anyone closely involved with the CTA case in Pennsylvania can identify the agents in the Harrisburg, Pennsylvania office of the FBI who are known to "leak" information.

During the CTA investigation one FBI agent was observed having lunch with a member of the press. That member of the press then wrote a series of articles that contained information about the investigation that was unknown to anyone else at that time.

On another occasion, a Treasury Department employee who had just appeared before the Grand Jury was looking for a bathroom. He rounded a corner in a hallway and discovered two FBI agents associated with the investigation talking with another member of the news media.

On yet another occasion my attorney held a meeting in Washington with Department of "Justice" officials, including one from the Harrisburg office. The meeting was confidential. A few days later press reports appeared in Pennsylvania giving details of the meeting.

- II. Any FBI agents or other "Justice" Department staff members who leak secret grand jury information or any investigative information should be fired and prosecuted.

Nov. 20, 1985

PHILADELPHIA DAILY NEWS

CITY & REGION

Dwyer Reported Trying To Forestall Indictment

By BOB GROTEVANT
Daily News Staff Writer

HARRISBURG — The attorney for state Treasurer R. Budd Dwyer met with U.S. Justice Department officials last week in an effort to halt a possible indictment against Dwyer in the Computer Technology Associates Inc. bribery scandal, sources have told the Daily News.

Neither Harrisburg lawyer Paul J. Killion, Dwyer's defense attorney, nor acting U.S. Attorney James J. West, who is directing the CTA investigation, would confirm or deny the meeting occurred.

"It wouldn't make sense for me to talk about it, if it did occur," said Killion, a former federal and state prosecutor.

However, sources familiar with the CTA investigation said the meeting lasted several hours at Justice Department headquarters in Washington on Nov. 12.

One person who is close to the case but who refused to be quoted by name said Killion's action was not unprecedented, and that such direct high-level appeals in federal criminal cases are generally reserved for

"high-profile" cases.

Several "high-ranking" department officials attended the meeting, the sources said. Their identities could not be learned.

Sources said Killion urged that a federal grand jury investigation into Dwyer's handling of the CTA contract be dropped because of insufficient evidence to return an indictment against the treasurer.

Killion argued his client should not be indicted because the government had little or no testimony to support the allegations of John Torquato Jr., CTA's former owner and the confessed mastermind of the scheme, sources said.

Torquato, formerly of Johnstown, Pa., is one of five people who have pleaded guilty or been convicted of participating in a conspiracy to bribe high state officials, including Dwyer and Attorney General LeRoy S. Zimmerman, to win a contract worth \$18 million without benefit of competitive bidding.

Dwyer awarded the contract to CTA in May 1984, but canceled it two months later after learning the FBI was looking into bribery allegations.

Dwyer lawyer requests end of jury probe

HARRISBURG (AP) — The lawyer for state Treasurer R. Budd Dwyer asked U.S. Justice Department officials to drop a grand jury investigation into his client's handling of a \$4.8 million contract, a published report said.

Dwyer's attorney Paul J. Killion met with acting U.S. Attorney James J. West and other "high ranking" department officials on Nov. 12 at Justice Department headquarters, the Philadelphia Daily News reported in its Wednesday editions.

Killion and West would neither confirm nor deny the meeting occurred, the newspaper said.

The newspaper quoted sources familiar with the Computer Technology Associates Inc. investigation as saying the meeting lasted several hours.

"It wouldn't make sense for me to talk about it, if it did occur," said Killion, a former federal and state prosecutor.

Killion urged that a federal grand jury investigation into Dwyer's handling of the CTA contract be dropped because of insufficient evidence to return an indictment, the newspaper reported.

The defense attorney said the government had little or no testimony to support the allegations of John Torquato Jr., CTA's former owner and the alleged mastermind of the scheme.

One person close to the bribery-conspiracy case said such direct high-level appeals in federal criminal cases are generally reserved for "high-profile" cases.

Five people, including Torquato, pleaded guilty or were convicted in the scheme to win government contracts for CTA through bribe offers.

Dwyer awarded a state contract to CTA in May 1984, but canceled it two months later after learning the FBI was investigating allegations of bribery.



Commonwealth of Pennsylvania
Office of the State Treasurer
Harrisburg
17180

R BUDD DWYER
TREASURER OF PENNSYLVANIA

From the time R. Budd Dwyer became State Treasurer in 1981 he has been responsible for transforming the antiquated, outmoded manual processes then employed by the State Treasury Department into a modern operation for cash management, investment, and securities management and control. This has been accomplished through the selection of a highly competent professional staff, updating the Department's processes through the installation of 20th Century state-of-the-art equipment, and implementing new practices and procedures.

A brief reference to some of the major changes and innovations of the Dwyer administration are as follows:

1. BALANCED THE STATE'S "CHECKBOOK"

Dwyer's administration balanced the State's accounts with the 28 active State Depository Banks for the first time since 1935. This was accomplished in approximately the same manner as individuals usually balance their checking accounts.

2. ELIMINATION OF \$119 MILLION DAILY IDLE BANK BALANCES

In 1980 and prior years, the Treasury Department was never exactly certain how much money was needed in its various bank accounts to clear the state checks each day, nor how much money was available for investment. Such uncertainty resulted in excess balances with the Depository Banks and an average of \$119 million uninvested each day. The elimination of these idle balances through the use of new, computerized operations, brought in \$19.5 million in interest income to the Commonwealth in the first year.

3. INSTALLATION OF A COMPUTERIZED INVESTMENT ACCOUNTING SYSTEM

In 1982, Dwyer's administration replaced the Treasury Department's antiquated, almost completely manual investment operation with a computerized system to provide up to the minute access to the financial markets. The Bureau of Cash Management manages more than \$4 billion in short-term investments, with an average day's work involving transactions totalling from \$100 million to \$200 million. Under this new investment system, the Commonwealth has earned nearly \$3 billion in investment interest.

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4. DEVELOPMENT OF AN AUTOMATED SECURITIES MOVEMENT AND TRACKING SYSTEM

The Treasury Department monitors and safeguards over \$16 billion in securities for the various retirement systems and state agencies. In 1981 and prior years, the movement and trading of these securities was restricted by the outdated, manual process in which they were handled. In 1983, Dwyer developed the Securities Movement and Control (SMAC) system which automated the transfer of securities through a book entry system, thereby eliminating the physical movement of the securities and enhancing the revenues. During the first year under the SMAC system, the Treasury Department processed over 13,000 trades as compared to only 2,200 in 1981.

5. ESTABLISHED TOLL-FREE WASTE LINE

Dwyer's administration established a toll-free WASTE LINE for citizens to report abuse, misuse, or fraud involving state funds or to make money-saving suggestions. The WASTE LINE has received nearly 4,000 calls and has resulted in the savings of millions of tax dollars and several arrests.

6. PROFESSIONALIZED AND DE-POLITICIZED HIRING PRACTICES

The previous Treasury Department administrations's employment applications required political sponsorship of an applicant by the county or local party as a prerequisite for hiring. Dwyer instituted non-partisan hiring practices, which stressed the professional qualifications of the applicant and eliminated the requirement for political sponsorship on the employment application.

7. CRACKDOWN ON WELFARE FRAUD

Dwyer's administration actively worked for approval of Act 75 of 1982 (Welfare Reform Act), which authorized the Treasury Department's Bureau of Investigations to investigate and collect restitution from welfare recipients who fraudulently requested and received duplicate public assistance checks. Implemented in 1982, Dwyer's crackdown on welfare double-dippers has reduced welfare fraud by ninety percent and has saved the Commonwealth over a million dollars annually in erroneous payments. Additionally, the Bureau of Investigations has recovered over \$800,000 in restitution from people who took advantage of the welfare system.

8. CREATED BUREAU OF CONTRACTS INFORMATION

Dwyer's administration implemented Act 244 of 1980, which required Commonwealth departments and agencies to file a copy of all contracts involving an expenditure of \$5,000 or more with the Treasury Department. The Treasury's Bureau of Contracts Information has the sole responsibility of receiving and processing those contracts and making them available to the public.

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9. HIRED AND PROMOTED WOMEN AND MINORITIES TO TOP MANAGEMENT POSITIONS

Dwyer's administration employment policies have hired and promoted women and minorities for top-level management positions for the first time ever at Treasury, to replace an inherited top management team which was exclusively a white, male entity. Female and minority employees now constitute six of the twelve bureau director positions.

10. INSTITUTED ZIP CODE PRESORTING PROCEDURES TO REDUCE POSTAGE COSTS

The Commonwealth has saved more than a half million dollars as a result of Dwyer's administration instituting zip code pre-sorting procedures. The Treasury Department has been established as a clearing house for mass mailings by providing this service to other Commonwealth agencies, at a savings of four cents per document mailed.

11. CONVERSION TO PAPER CHECKS

In 1985, Dwyer's administration replaced the cardboard check system with a new state-of-the-art system of tamper proof paper checks that saves the Commonwealth over \$100,000 per year. This conversion to paper checks enables the Treasury Department to print 30,000 checks an hour, nearly twice the production of the old cardboard check system.

12. REDUCED BORROWING COSTS BY ISSUING TAX-EXEMPT COMMERCIAL PAPER

Dwyer's administration proposed legislation, (Act 63 of 1984), which authorized the issuance of tax exempt commercial paper, as a supplement to tax anticipation notes, starting with fiscal year 1985-86. The use of commercial paper saved the Commonwealth approximately \$1.4 million in fiscal year 1985-86 alone.

13. CREATION OF A TREASURY INVESTMENT POOL

Dwyer's administration consolidated the 91 separate investment portfolios into one actively managed pool, similar to a mutual fund. This \$4 billion pool enables the Treasury Department to make larger investments at higher rates of return, generating additional interest income. Conservative estimates project an increase of \$10.4 million annually in investment income.

14. INSTITUTED A QUANTITATIVE BANK MANAGEMENT SYSTEM

Dwyer's administration instituted a quantitative bank management system to assess the performance of each of the Commonwealth's 28 active depositories. The banks are ranked according to the quality of services provided and the costs of those services, so that the 600,000 checks written per month are assigned to those banks in the most cost effective way possible.

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15. ESTABLISHED A BUREAU INTERNAL AUDITS

Dwyer's administration established the Bureau of Internal Audits to inform management of the strengths, weaknesses or lack of various internal controls, to report on the economy and efficiency of Treasury operations, and to make any necessary recommendations to enhance these operations and their overall contribution to the effectiveness of state government.

OTHER ACCOMPLISHMENTS:

---developed a Treasury Department initiative, in conjunction with the National Center for Missing and Exploited Children, to help identify and locate missing children. Each month, the Treasury Department inserts photographs and descriptions of missing children in the paychecks of its employees and in the monthly annuity checks of the state retirement systems;

---reduced the backlog of outstanding unclaimed public assistance and unemployment compensation benefits from approximately eighteen months to about six months and fifteen days, or approximately two weeks after the benefits are available to be reclaimed. This has resulted in tighter accounting control and improved availability of funds for investment;

---designed and implemented "Operation Coffin Caper" in conjunctions with the Public School Employees' Retirement System and the State Employees' Retirement System to cover annuity benefits paid on deceased annuitant accounts. This novel program has recovered over \$200,000 in erroneous benefit payments;

---actively supported legislation and prepared for the electronic fund transfer (EFT) system of public assistance and food stamp benefit issuance. The EFT process maintains this Treasury Department in the vanguard of similar financial institutions in adopting technological innovations;

---developed a system for direct deposit for state employee paychecks and retirement system benefits.

---investigated over 1,500 claims of lost, stolen, or forged Commonwealth checking totalling over \$600,000;

---in conjunction with the Department of Public Welfare, completed the necessary design and implementation steps to bring the printing of public assistance checks into the Treasury process, to reduce the cost of check stock and facilitate the verification of check totals. This transfer to Treasury will result in a savings of approximately \$150,000 per year;

---as one of three issuing officials, refinanced two of the Commonwealth's high interest General Obligations Bonds at lower rates to save millions of dollars in interest payments;

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---strongly supported the \$190 million bond issue which brought thousands of jobs and infrastructure improvements to Pennsylvania;

---discovered \$3.7 million in misdirected interest earnings from the unemployment compensation fund, which were mistakenly credited to the general fund. This discovery was at a time when the unemployment compensation fund was being drained by a record number of unemployed workers and the federal government was demanding payments from the state fund.



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R. BUDD DWYER
TREASURER OF PENNSYLVANIA

January 22, 1987-- Press Statement by State Treasurer R. Budd Dwyer

At long last I can speak out. I wanted to do this during the early stages of the CTA matter but I was told by advisers and attorneys to wait until the investigation was over. Then I was indicted and again wanted to speak out and was advised to wait until I was acquitted. But our legal system was orchestrated so that it did not work in my case and now more than ever my conscience dictates that I must speak out.

Much of what I will say about certain persons and our legal system is not pleasant but it is all true, based on my own knowledge, based on official records or on what people I know and trust have told me. Much of what I say will be answered by howls of denial and derision but I urge you to look behind those howls to check out the validity of my statements.

I apologize for the typing and punctuation and if my remarks seem disjointed it is because of time and logistics, I can cover only a few of the thousands of things I would like to say.

First, I want to thank my loving family, my loyal friends, supporters and employees and all those who have stood by me during this terrible 2½ year ordeal. I thank them for their support, their encouragement and their prayers. I have not let them down or violated my oath of office. Our current legal system has let me down and cries out for reform so that other innocent people do not have to go through what my family and I have been through and will go through for the rest of their lives. I hope and pray that after this press briefing is concluded you'll want to help create a Justice System here in the United States.

The past 2½ years have been like a nightmare or life in one's own twilight zone for my family and me. Even now, as I'm speaking to you, it would not surprise me to wake up at home in my bed and learn that the entire matter was just a horrible nightmare,

and really didn't happen.

I'm very proud of the job I've done during my six years as Treasurer of Pennsylvania. It is ironic that although my staff and I have transformed the Department from a financial antique into one of the most modern in the nation, earning and saving hundreds of millions of dollars each year, most of the publicity we've received and what I'll be remembered for is in regard to OTA.

I once again declare to you that I am totally innocent. I have served in public office for over 22 years and it is my observation that nearly all public officials are honest, sincere and trustworthy. I state with pride and a clear conscience that I am one of the most honest public officials to ever hold office in this Commonwealth. I invite you, challenge you and beg you to talk with my Treasury Department employees, the commercial bankers and investment bankers with whom we do business, my former colleagues from both parties in the House of Representatives and the Senate and their staff, members of the Harrisburg lobby corps since I've been in politics, my high school, college and law school classmates and professors, my former constituents in Crawford, Mercer and eastern Erie counties or anyone else who knows me. Ask them about my honesty and integrity.

If anyone thinks I would jeopardize my good name and reputation, damage my family and risk all we've worked for and stood for over the years for \$300,000,000, let alone \$300,000, \$200,000 or \$100,000 they are crazy. I started my professional career as a school teacher but a significant event occurred in my life in 1963 when I was selected as western Crawford County's Community Ambassador to Poland. Living under a Communist government made me realize for the first time the full extent of the freedoms and opportunities we have here in the United States. I resolved that I would work to preserve and improve our system and that is why I entered politics in 1964 and have spent the last 22 years fulfilling my resolve.

My wife and I have never aspired to be wealthy. We only wanted to do meaningful and enjoyable work, serve our fellow man and provide a secure lifestyle for our children. I've had many

opportunities to make big money in the private sector or run for higher paying Federal office and I've turned them all down because I enjoyed my work in State Government.

On January 20, 1966 I proudly took my oath of office as Pennsylvanias' 69th State Treasurer and in my first remarks as Treasurer, entitled "Only in America", I joyfully marveled that only in America could a kid from Blooming Valley with no political legacy and no political base be elected to statewide office in this Commonwealth of almost 12 million people. Now, six years and two days later, the joy has turned to pain and sorrow and the marvel to disillusionment and disgust.

I was able to be elected Treasurer because the political system that was our forefathers goal 210 years ago has developed and matured and continues to improve with virtually every election as a wider cross section of society is elected to public office. For example when I was first elected in 1964 there was only one other member of The General Assembly in his twenties and only one member of the Senate in his thirties.

But I am here in this situation today because the Justice System that was also our forefathers goal has eluded development during the past 210 years and the citizens of the United States have, instead of a justice system, a legal system that is very similar to the legal systems in nations around the world that our national leaders are fond of criticizing for denying human rights, legal process and justice.

I stand before you today as an absolute example that in 1987 in the United States of America our legal system can be used for political persecution and that innocent people are found guilty. Words do not exist to express the feeling of disbelief, shock, numbness, illness, dismay and sadness for my family and me when the Judge read the first "guilty". No one could possibly imagine that feeling except other innocent persons who have been convicted of crimes they did not commit. That moment, and the days that follow as friends and family make calls, send notes or come to visit to express disbelief and sympathy is as close as one can come to dying and attending their own funeral. In my case, it was not only the destruction of my life but the destruction of every-

thing I believed, and taught my students and family about regarding this country. I had been very naive. I had been raised to believe that if I obeyed the law and was a good citizen that I would never become entangled with our legal system.

Then in February of 1984, another significant event occurred in my life. In conformity with Pennsylvania law, I refused to pay the travel voucher for Mrs. Dick Thornburghs' trip to Europe and Governor Thornburgh told Bob Asher and others that he would "get Dwyer". Thanks to you, the media, Governor Thornburgh has a very positive image but if his staff had ever let you get close to him you would have found a short temper and a vicious, vindictive personality. Governor Thornburghs' resolve to get me increased when "Ginnygate" was followed by "Chauffergate" in March, April and May of 1984 which was properly brought to my attention by reporter Gally Roche of the Philadelphia Inquirer. Then our recent Governor began referring to me as "The Fat F__k", which can be attested to by several people.

Some of you may recall that Governor Thornburghs' first attempt to get me was a misleading memo from Secretary of Revenue Scheiner to Secretary of Administration Dickman in late April of 1984 criticizing my departments' short term investment of the State Employees Retirement System funds, which was leaked to the media in "white envelopes". When that backfired, the second attempt was the so-called "Bittenbender letter" sent to me on May 24, 1984, seven weeks after the FICA Recovery legislation was signed into law and two weeks after the contract was signed. The letter contained distorted financial information, which was brought out at the trial and copies of that letter were also given to favored members of the Capitol Press Corps. And then the CTA investigation by the U.S. Attorney fell into their laps and ~~and~~ they had the vehicle, that if steered skillfully would really "get me". As a Thornburgh friend and Cabinet member said to his, then, Press Secretary, "...the Fat F__k is going to get it now."

My major criticism of you and your colleagues in the Pennsylvania news media in regard to CTA, has been your failure through fear, intimidation or perhaps one of the reasons discussed in the chapter entitled "Journalists for the Prosecution" in the book,

The News At Any Cost, to expose the close connections between Governor Thornburgh and Acting U.S. Attorney James "Jimmy" West. It is a matter of public record that West's first job after his judicial clerkship was to be hired by then U.S. Attorney Dick Thornburgh as an Assistant U.S. Attorney in the Western District of Pennsylvania in August of 1974. It is also public information that West's second job was to be hired by then Governor Thornburgh as a Pennsylvania Deputy Attorney General on April 2, 1979.

Then after President Reagan took office in 1981, the Thornburgh group tried to take over the U.S. Attorneys office for the Middle District of Pennsylvania by having another two time Thornburgh appointee, Henry Barr, appointed as U.S. Attorney. However, Barr was not recommended by the Merit Selection Committee and David Dart Queen was nominated and confirmed as the U.S. Attorney.

But Assistant U.S. Attorneys do not have to go through the Merit Selection Committee Process and in July of 1982 the Thornburgh group succeeded in having none other than James "Jimmy" West named First Assistant U.S. Attorney for the Middle District of Pennsylvania with his office right across Capitol Park from Governor Thornburgh's office.

It was well known in campaign circles in the fall of 1984 that Governor Thornburgh and his top staff members were desperately trying to have U.S. Attorney Queens' announcement of the first CTA indictments delayed until after the November 6, 1984 General Election. They knew, through West, that Zimmermans name would be prominently mentioned in the indictment for the first time. They were afraid a pre-election announcement would cause Zimmermans' defeat and that Allen Ertel as Attorney General would conduct an investigation of the Thornburgh Administrations' sweetheart, no-bid legal contracts. Queen went ahead with his announcement on October 23, 1984 and Zimmerman almost lost the election. The effort to remove Queen as U.S. Attorney began immediately because he could not be controlled. After a heavy political battle Queen was "promoted" to a position in the U.S. Treasury Department. It was not the Solicitors position which he had sought. When Queen departed for Washington in January of 1985, James "Jimmy" West

was named as the Acting U.S. Attorney by a 4-2 vote of the Federal Judges in the Middle District and Governor, ^{THORNBURGH} had his lackey in charge of the CTA investigation and as we now know, my fate was sealed.

Those of you who are politically astute are questioning me at this point because, while you realize why Dick Thornburgh wanted me indicted and convicted, why would he want his friend and 1982 campaign chairman, Bob Asher, to suffer the same fate. The answer is that Bob Asher had also crossed Dick Thornburgh. In late 1983 and 1984 Thornburgh and some of his top staff members wanted Bob Asher, who by then was the Chairman of the Republican State Committee, to use Republican State Committee funds for them to travel around the country promoting Thornburgh for a spot on the 1988 Republican National ticket. Asher got independent and refused. Thornburgh responded by removing the Governors Club from the auspices of State Committee in order to raise his own funds. Bob Asher immediately replaced it with the new Commonwealth Club and used the Governors Club mailing list for it, thus partially foiling the Governors' effort to raise his own funds.

Another Thornburgh-Asher battle occurred in the fall of 1984 when, as I've already indicated, Thornburgh and his cronies were panicked at the prospect of Allen Firtel being elected Attorney General. On the night of October 4, 1984, at a private meeting following the State Committee Fund Raiser honoring Drew Lewis at the Bellvue Stratford in Philadelphia, Governor Thornburgh and some of his key staff members and cronies, with some party leaders present, demanded that Bob Asher lay off most of the 25 or more staff members at Republican State Committee and give the money saved in payroll costs to the Roy Zimmerman campaign. They also wanted Asher to use the remainder of the money that had been budgeted for the three statewide campaigns used exclusively for Roy Zimmermans' campaign. Asher refused both requests.

Thornburgh and his cronies mended their split with Asher briefly in the fall of 1985 when they used Asher to help them in their efforts to make Thornburgh a viable candidate against Senator Specter. When that effort failed they broke away from

Asher again. (Incidentally, one of the major unpublished reasons Thornburgh did not run against Specter is that Thornburgh's key staffer was told by Specter's key staffer that if Thornburgh ran, his role in the CTA affair would be a major issue in the campaign.) You now know, in case you've ever wondered, why, out of all the politicians' names on Torquato's spread sheets and other records and all the testimony about bribes, gifts, favors and contributions to politicians from Smith and Torquato, the only two politicians to be indicted and found guilty are Budd Dwyer and Bob Asher.

The position of U.S. Attorney, even on an "Acting" basis is one of the most powerful in our government. The U.S. Attorney is the sole determiner of what cases will be pursued and what cases will be dropped in his district. The quality of the "Justice" system in each of the 94 Federal Districts depends upon, the honesty, objectivity, integrity and personal goals and interests of the U.S. Attorney in each district. U.S. Attorneys love to self-righteously proclaim that they will "follow the evidence wherever it leads". The fact is that it is the exact opposite that usually occurs. The U.S. Attorney and the involved law enforcement agents will determine early in a case who they want their "targets" to be, and then develop or fabricate evidence to indict and convict them.

If evidence can't be developed it is fabricated by using the currently legal techniques of lies, deals, leaks, threats, immunity, harassment, rumors, abusing the plea bargain process and virtually every other technique used in authoritarian nations with the possible exception of physical torture. Another technique is to stretch out an investigation so long that legal fees financially bankrupt their "target" or mentally break the "target" or family members so that he has no alternative but to plead guilty to something and perhaps provide perjured testimony against other "targets". With unlimited taxpayer dollars and virtually unbridled power, is it any wonder that the U.S. Department of "Justice" boasts a 95% conviction rate. Once the U.S. Attorney decides, regardless of his motivations, who his "target" will be, the odds are overwhelming that the prosecution will "get" him,

the project in-house, when I had them contact the Pennsylvania School Boards Association to see if they could do the project, and when they were in the process of recommending to me that Arthur Young do the project before Torquatos' last minute effort to get Dave Herbert to provide false information to the Task Force regarding immediate credit which impacted so heavily on the all-important time-value-of-money concept which resulted in the Task Force recommendation to me that CTA be awarded the project.

Smith admitted this at our trial but apparently it went by the jury. His attorney, John Rogers Carroll testified at our trial that Bill Smith had "solemnly" told he and Tom Carroll that he had lied in his "offers of proof" and that when he testified at his own trial that he had not bribed me it was the truth. And John Rogers Carroll added, "he had no evidence to the contrary." (Some observers think that Smith and Torquato were creating phony records and making statements about several hundred thousand dollars in payoffs just as Torquato had successfully done in regard to the Allegheny County contract when he made statements and created phony records indicating he was paying \$102,000 in bribes to Allegheny County officials so he wouldn't have to pay his employees commissions on that amount. In reality he was misleading his employees, paid no bribes and put the \$102,000 in a Swiss Bank account as he has admitted. However, I think the foregoing Smith version is the accurate scheme in this case.)

Thus, although Smith never bribed me you can see how Smith's telling Torquato that he had bribed me, unforeseeably, benefited both of them in their "offers of proof" in the fall of 1984 and especially benefited Smith in his final "deal" with Acting U.S. ^{Attorney} West in the fall of 1985.

When the CTA investigation began in July of 1984 both Smith and Torquato knew they had legal problems for bribing Dave Herbert to provide false and incomplete information to my FICA Recovery Task Force. Smith knew from his limited criminal law practice and Torquato learned from his attorney (according to their testimony) that U.S. Attorneys and FBI agents are interested in big pelts.

And there I was, cut on the end of the limb with my signature on a large, complex contract that I had signed in good faith based on the recommendation of my task force. In turn, the task force had made the recommendation to me in good faith. They did

one way or the other, whether they are guilty or not. Of course, the appropriate ^{ACTION} for West to have done, as I've described in Attachment 1 of my letter to the Judiciary Committees, would have been to recuse himself from the CTA investigation, but their goal had been just the opposite, to seize control of the investigation.

The entire CTA case as it applies to me, hinges on one meeting in March of 1984 with Bill Smith about which he has told two versions, one truthful and the other in exchange for immunity for his wife and other considerations for himself. Following is Bill Smith's truthful story of what really happened, as he told it to my attorney, Bob Ashers' attorney and Tom Carroll who is one of Smith's attorneys, on March 12, 1985. My attorney immediately taped the information provided by Smith and it was transcribed into a 5 1/2 ^{PAGE} memo the following day. Since the memo is the property of my attorney and contains other information I regret that I cannot provide you with copies of it but I can relate to you the crucial information it contains in regard to me and Smith's meeting with me in March of 1984.

Smith explained to the attorneys that it was constantly Torquato's mindset to offer money to people in order to incur an obligation. As Smith testified at our trial, Torquato was very upset that a bribe was not offered to me at the March 2, 1984 meeting at the Marriott. Torquato kept pressuring Smith to meet with me again and offer a bribe in exchange for the contract. Smith did meet with me sometime later in March but did not offer any bribes. Smith told the attorneys that at no time did he raise the possibility of offering money to ^{ME} because he knew it would be inappropriate and that I would have thrown him out of my office. (He testified at our trial that all along he felt CTA was good enough to get the contract without offering bribes.) However, after our meeting Smith led Torquato to believe that he had bribed me so that Torquato would stop pressuring him. Thus, when Torquato entered my "code name" on his spread sheets and boasted to various people about campaign contributions to me, he really thought that Smith had bribed me and of course Smith continued to let Torquato think that I had been bribed.

It is no wonder that testimony indicates that Torquato was perplexed, frustrated and furious when my Task Force wanted to do

not know that John Torquato had lied directly to John Wellington regarding cost figures or that Smith and Torquato had bribed Herbert to lie to Wellington and Ihenecie regarding immediate credit which impacted on the time value of money. But I was a "Big Felt", Governor Thornburgh was out to "get" me and his lackey, James West was heading up the CTA investigation.

Moreover, Torquato really thought Smith had bribed me and had his spread sheets to prove it. Smith could slightly alter the true story of our March meeting and say he bribed me, since he had told Torquato that he had. Thus it was easy for them to separately fabricate "offers of proof" even though the details conflicted. West ignored that fact and had his bottom line desire of having two people say I'd been bribed, despite all the evidence to the contrary.

According to the search warrant for Torquatos' office, he had more legal exposure than Smith so he was willing to plead guilty to one count while Smith wanted complete immunity in exchange for his story. Thus Torquato got the initial deal. Bill Smith was slick though. He not only went to two attorneys with his "offer of proof" but I understand he also told at least one member of the Capitol Press Corps in the event his trial went badly and he needed additional prior verification of his story to work out a future deal.

Although I'd done nothing wrong I knew the deck had been stacked against me. Still I had faith, that since this is America, something would occur to save me from my persecutors. But it didn't happen and this is why our legal system desperately needs to be reformed into a justice system. It has happened to others and will happen to more innocent people until reforms are enacted. In fact the recent January 11, 1987 "Sixty Minutes" program described the case of an innocent man in Philadelphia who had been convicted and sentenced to death. How many more will there be?

In the following paragraphs I'll detail some of the things that occurred to fabricate testimony against me and otherwise manipulate the case against me. Please verify these yourselves and decide whether Acting U.S. Attorney James West was seeking truth and justice or seeking the indictment and conviction of an innocent person.

1. The accuracy of polygraphs or lie detectors is a hotly debated issue. However the U.S. "Justice" Department relies heavily on lie detectors in their investigations and maintains they are very accurate. On about July 22, 1985 my attorney asked James West to sign a letter stating that if I passed their lie detector test he would drop me as a "target" of his investigation. Acting U.S. Attorney James West refused to enter into the agreement.

2. Grand Jurys were formed hundreds of years ago as a reform to protect innocent citizens from unethical and overreaching prosecutors. In August of 1985, my attorney asked Acting U.S. Attorney James West if I could voluntarily appear before the Grand Jury to explain the entire CTA matter to them as I understood it and answer any and all questions they had. West refused saying he wouldn't permit me to make a "speech" to the Grand Jury. Thus our legal system has deteriorated to the extent that the very prosecutor who the Grand Jury is to protect citizens from, can in fact deny those citizens access to the Grand Jury. (See insert 4 regarding Grand Jury reforms in my letter to the Congressional Judiciary Committee.)

3. Abuse of process. On November 27, 1984, a Treasury Department employee was subpoenaed to appear before the Grand Jury at the Harrisburg Federal Building. When he arrived the Grand Jury was not even in session that day. The subpoena had been a ruse to get him to the building so West and FBI agent Don Jordan could have a session with him. They proceeded to make accusations and threats in an effort ^{to have him} ~~into~~ confirming false information. They goofed when they indicated ~~they indicated~~ they had evidence that Bill Smith had offered to pay off his mortgage if he helped them get the FICA recovery contract, because the Treasury Department ^{was a renter} and had never had a mortgage. He returned to the Treasury Department pale and physically ill as several Treasury Department staff members can attest.

4. Leaks of Confidential Information. On Monday, July 30, 1984 FBI Agent Ronald Brinkley had a luncheon meeting at Casa Rillos with a member of the Capitol Press Corps. A few days later the reporter wrote a series of articles containing previously unknown information about the CTA investigation.

On October 29, 1985, ^{A Treasury Employee} was subpoenaed before the Grand Jury. When he left the Grand Jury he looked for a bathroom. He rounded a

corner and there were FBI Agents Ronald Brinkley and Donald Jordan talking with a Capitol Press Corps reporter about the case.

On November 12, 1985 my attorney had a confidential, private, meeting in Washington D.C. with Acting U.S. Attorney James West and Washington based "Justice" Department personnel. Reports of the confidential, private meeting were carried in the Pennsylvania media on November 20 and 21, including information about the meeting that occurred after my attorney had left.

Neither Bob Asher, I or our attorneys had any indication we were going to be indicted prior to May 13, 1986. I learned about it as a result of a telephone call from my Pittsburgh office that morning reporting that an article in the Greensburg Tribune Review indicated we were going to be indicted.

In The News at Any Cost the author states, "In most jurisdictions it is a crime for a prosecutor to leak grand jury information, but no one has ever been prosecuted for it since it would require prosecutors to investigate themselves."

5. The three ways split. At our trial, Acting U.S. Attorney James West came up with a new theory that the mythical \$300,000 payment was going to Republican State Committee where it was to be divided equally between the campaigns of Roy Zimmerman, Sue Shanaman and me. Please check with Roy Zimmerman and Sue Shanaman to see if West ever checked with them to see if Bob Asher or I ever told them that they should add an extra \$100,000 into their campaign budgets.

6. The Torquato-Ellis "plea bargains". John Torquato and Judy Ellis were each indicted on 15 counts with an exposure of 80 years in jail and \$105,000 in fines plus two of their corporations were indicted on 15 counts with an additional exposure of \$106,000 each. As a result of Torquatos' plea bargain West recommended a 2 year sentence but the Judge sentenced Torquato to 4 years and a \$10,000 fine which still saved Torquato up to 76 years in jail and \$96,000 in fines. His live in girlfriend-partner Ellis was sentenced to 1 MONTH and a \$5000 fine, saving her up to 79 years and 11 months in jail and \$101,000 in fines. But Acting U.S. Attorney James West was not finished with his favors to Torquato and Ellis. Just before the Smith-Stoneman trial, in which they were to be witnesses, West dropped all charges against their two corporations saving Torquato and Ellis another \$212,000 in fines despite the fact that

they had at least 3450,000 in Swiss bank accounts.

7. Acting U.S. Attorney James West's trip to the Boron Prison Camp. West and Torquato were upset that Torquato had been sentenced to 4 years instead of the 2 years West had recommended. In February, 1985, West attempted to secretly go to the Boron Prison Camp in California where Torquato was located to put in a good word with Torquato's parole board. Pittsburgh Attorney Harold Gonielman found out about West's trip, as he said, through "dumb luck." West's trip was a success and he got Torquato's sentence reduced from 4 years to 22 months. Please check out what West did for Torquato with other criminal attorneys. It's virtually unheard of! Normally when a prosecutor appears before a parole board it is to urge that a felon serve their full term.

8. The Bill Smith deal. This deal sets new records in the annals of our "Justice" Department. After his sentencing, Bill Smith had legal bills of over \$200,000, a fine of \$63,000 and a jail sentence of 12 years. Acting U.S. Attorney James West told Smith's attorney that Smith's wife, who is also his law partner, would be indicted unless Smith "cooperated". Smith's wife is the mother of their 5 year old son and the step-mother of other Smith children. Smith is not a G. Gordon Liddy and faced with all of the foregoing he "cooperated" in exchange for immunity for his wife and himself, a recommendation from West that his sentence be reduced to 22 months and a \$10,000 fine and if the judge doesn't agree, West will appear before Smith's parole board to have his sentence reduced. That wasn't even a plea bargain. It was just an outrageous deal that is legal under our current "Justice" system. Smith's sobbing statement on the witness stand, "I'd do anything to protect my wife.", and his near fatal heart attack and emergency surgery a few hours after he testified, ^{FRANTIC} the weight of his guilty conscience better than anything you've seen on stage, in the movies or in a TV Soap Opera.

9. The Williamsport trial. One of the most frequently asked questions before and during our trial was, "Why is the trial up in Williamsport?" The answer is, "Because Acting U.S. Attorney James West wanted it in Williamsport, to help guarantee he could convict us."

In addition to evidence obtained on way or the other, there are two other ingredients a prosecutor needs for a guaranteed conviction. One is a "house judge" and the other is a favorable jury. Both exist in Williamsport. As one attorney familiar with the situation stated, "Judge Muir gives new meaning to the term, house judge." Judge Muir is clever though. A casual observer attending a trial or reading a transcript wouldn't perceive ~~his~~ his pro-prosecution or personal bias, but a trained legal^{mind} would realize that whenever a motion or ruling was crucial to the prosecution, such as our change of venue motion, Judge Muir invariably rules for the prosecution. In our case he sent subtle messages to the jury to convict us, such as referring to the "record for the Appellate Court".

A few weeks before the beginning of our trial Judge Muir's pro prosecution and personal bias resulted in the overturning of a guilty verdict in the Salamone Case by the Third U.S. Circuit Court of Appeals. The ruling has been publicized in national publications such as the January 1987 issue of the American Hunter.

Our case was complex and technical and Acting U.S. Attorney WEST needed an unsophisticated, uneducated jury pool and demographics indicate that the Williamsport Federal jury pool is the most uneducated in the state. Even so, West used several pre-emptory challenges to eliminate educated people from the jury. There were two college educated jurors, one music major, and the other a psychologist who West had originally knocked off but who he permitted to serve after the defense and news media complained about his tactics.

Logic and a U.S. Supreme Court decision indicate that the trial should have been held in Harrisburg. The alleged offenses occurred in Harrisburg, West's office and the FBI office is in Harrisburg, the defense attorneys offices were in Harrisburg, the defendants offices were in Harrisburg, most of the witnesses were from Harrisburg and those that weren't had to be transported to Williamsport after flying to Harrisburg. It cost the taxpayers tens of thousands of dollars more to have the trial in Williamsport but of course Acting U.S. Attorney James West wanted us convicted regardless of the cost or tactics it required.

If you check the defense motion to change venue to Harrisburg, which was opposed by West, met all seven points of a U.S. Supreme Court decision that a Judge is to consider in making his ruling. The seven points don't include Judge Muir's convenience or his bias toward the prosecutions' opposition to our motion so he ruled the trial must be held in Williamsport. His official reason in his ruling was that there weren't enough courtrooms in Harrisburg despite the fact that with the state appellate courts, the county courts and the Federal courts in Harrisburg there are more courtrooms there than anywhere else in Pennsylvania except Pittsburgh and Philadelphia. (as an aside, check into the Ferrigan trial of the 1970s. The Federal government had jurisdiction in dozens of Federal District Courts around the country but the trial was held in Harrisburg because computer runs indicated the Middle District of Pennsylvania has one of the most conservative, pro-prosecution jury pools in the country)

10. Rules of evidence: The jury received frequent messages to convict us because time after time during the trial Acting U.S. Attorney James West presented evidence or asked questions of witnesses about the OIA convictions of Smith and Stoneman and Turquato and others who were guilty of conspiring to bribe Herbert to mislead the Treasury Department Task Force. But whenever the defense planned to introduce evidence or call witnesses to testify about the acquittal of Pittsburgh City Councilman Robert Rade Stone in the other OIA trial Judge Muir ruled that Supreme Court case law prohibited the introduction of evidence of prior acquittals. The unfairness and injustice of that pro-prosecution decision is obvious.

Prior to the trial several attorneys said that it was impossible for a public official to get a fair trial in Pennsylvania because people are so biased against politicians. However, the acquittal of Pittsburgh Councilman Robert Rade Stone in the other OIA trial indicates that when a U.S. Attorney seeks truth and justice rather than convictions, when the Judge is unbiased and when the jury is composed of a defendants peers from the defendants home area, even a public official can receive a fair trial.

In our case the Acting U.S. Attorney, James West, went to the very limits of our very dubious laws to fabricate evidence and manipulated the trial arrangements so that he would have a biased "House Judge" and a jury that was not familiar with accounting practices, state-of-the-art investment techniques, the value of computer software and the political and governmental processes, in other words, a jury that was not composed of our peers.

According to articles in the news media the jury did not abide by their oath of office or follow the judges' most basic instruction, that all defendants are presumed to be innocent. Jurors were quoted as saying that they tried very hard to find me innocent, indicating they deliberated with a presumption of guilt, rather than the most basic principle of American jurisprudence, the presumption of innocence.

On the third day of deliberations the jurors asked for a transcript of John Wellingtons testimony. John Wellington, as the Treasury Departments Chief Counsel was the head of the Task Force that recommended CPA to me and was certainly the key witness as far as my case was concerned. The jurors were told that a transcript was not available but arrangements could be made to read Wellingtons' testimony to them. The jury never responded to the opportunity to have the testimony read to them or made any other request. They simply proceeded to find me guilty that very day. Perhaps they were in a hurry to get out for Christmas.

The Judge had given almost three hours of complicated jury instructions but the jury did not ask one clarifying question. They merely rubber stamped all 11 counts against both Bob Asher and me. Contrast our jury with the jury in the Smith-Stoneman trial which involved 15 counts each. Even though that jury was also a Williamsport jury, they asked many questions and found guilt by Stoneman on one count and guilt by Smith on nine of the 15 counts. Perhaps the attorneys were right and our jury was biased against us because we were politicians.

Regardless of their reason, our jury made a horrible mistake. They destroyed my 22 year career in public service and my life, and did indescribable damage to my family and many others.

The jury delivered the final blow to what many have described as the greatest miscarriage of justice they have ever known.

Many people who have visited, called or written to me since December 12, 1986 are confident that the horrible mistake made by the jury will be corrected by the appeals process. This is implied in the attached editorial from the Meadville Tribune. Unfortunately, most people, including me up to a few weeks ago, do not understand the appeals process. People generally think all mistakes regarding a trial are appealable but in fact only mistakes of law are appealable. In my case the major mistake was made by the jury which rendered a guilty verdict without having sufficient evidence beyond a reasonable doubt. Despite all their wheeling and dealing the prosecution's case appeared to be so weak, so questionable and so contradictory that my attorney and many courtroom observers saw no reason to put in any defense.

Unfortunately, under our system of law, the jury's mistakes are not appealable. As impossible as it is to believe, ^{there is no recourse} from the mistake of a jury. Only the mistakes of law made by the prosecutor and judge are appealable and as I've already described to you our statutory law, ^{no} case law is currently so loose and so unjust that my chances of winning on appeal are very slim and even if I won I could not financially afford another trial.

Bob Asher stands a better chance of winning on appeal because some case law indicates he was improperly tried as a public official.

The bottom line is that Governor Thornburgh, Acting U.S. Attorney James West, FBI Agents Donald Jordan and Ronald Brinkley, who "worked" the case, Judge Malcolm Muir and the jury have together totally discredited the American legal system in the hearts and minds of thousands of people who know that I am innocent.

Very few victims of our criminal legal system speak out publically against it because when a person has been found guilty they are at the mercy of the system. The prosecutor recommends their sentence, the trial judge imposes their sentence and fine and then they enter the custody of the Bureau of Prisons where there is a wide variation in treatment and conditions. After serving at least one-third of their sentence they are at the mercy

of the Parole Board for an early release. A person who makes waves will receive a longer sentence, higher fine, rougher treatment while imprisoned and stand less chance of being paroled. I've even been advised by people familiar with the "system" that I now ought to say I did something wrong so things will be easier for me from here on out. Obviously, I refuse to compromise my principles.

When you realize that only 5% of our population becomes entangled with our criminal legal system and that 95% of those are found guilty, it means that less than 1% of our population is ever acquitted. Those statistics alone demonstrate the sham of the system. The 1% is a tiny voice and only a few of them speak out, such as John DeLoe and Governor Edwin Edwards, and they are so few and so tainted that no one pays any attention and the atrocities go on and on.

Generally most people and specifically most elected officials do not like dealing with unpopular or unpleasant issues. They prefer to ignore problems that need to be addressed unless public pressure demands a solution. Then, like water, they take the course of least resistance. I regret that at many times during my legislative career I was an example of, rather than an exception to, that principle. Of course if I had followed that principle as Treasurer and paid Binny Thornburgh's European travel voucher and let the State Police continue to haul the Thornburgh graduate student to Massachusetts and the Thornburgh prep school student to Connecticut we wouldn't be here today. What has happened to me is an example of an unconscionable issue that most people would rather ignore than address. But fortunately there are exceptions in the private and public sectors.

I realize that you are news reporters and that I am just another piece of meat to you. But I hope that something that I've revealed today penetrates through the cynicism and callousness that is the stereotype of your profession and that some of you will help because it is the media that creates the public pressure to address the unpopular issues.

Many of you represent large media corporations such as the Philadelphia papers, the Pittsburgh papers, and Group W radio and television. Your employers possess the resources to carry on national crusades for reform. It is too late for me but certainly the current low level of our American legal system is ripe for their immediate attention. It is not as sexy or as exciting as the Iranian arms deal but it is long term and more important to the American people and the survival of our form of government.

I would also urge you and your media employers to work for the repeal of the death penalty unless the test would be absolutely no doubt. I regret that on several occasions when I was a member of the legislature that I voted for the death penalty. As a result of what has happened to me in this case I am convinced that innocent people have been found guilty and have been executed. The Neil Ferber case that was discussed on 60 Minutes on Jan. 11, 1987 is proof that it can happen right here in Pennsylvania.

Around the turn of the century the muckraking journalist Lincoln Steffens authored the book, The Shame of the Cities. His book was largely responsible for much needed improvement in the living conditions and working conditions of the slum dwellers in Americas' cities.

Lincoln Steffens' journalistic goal was "... to see if the shameful facts, spread out in all their shame, would not burn through our civic shamelessness and set fire to American pride."

Perhaps what America needs most now is another Lincoln Steffens, an author who will write a best selling book entitled, "THE SHAME OF OUR LAW".

As my political career draws to a close I want to thank the people who made it possible, beginning with the good people of Crawford County who in 1964, had the faith to elect a 24 year old as the youngest member of the General Assembly. And then the people of Crawford, Mercer and Eastern Prie counties who in 1970, elected me to the State Senate. Thanks to the voters of Pennsylvania who elected me Treasurer in 1980 and in 1984 saw through the sham of the CTA allegations and re-elected me by a margin of 310,000 votes. In all I have participated successfully in 9 Primary elections, 5

(Contact Duke Hershock or Gregg Jenny at the Treasury Press office for the last page. Dwyer Treasury accomplishments etc. 717-767-2991.

The Meadville Tribune

Monday, Dec. 28, 1983

The Dwyer Matter

When state Treasurer R. Budd Dwyer was indicted early this year for his alleged role in the Computer Technology Associates bribery scandal, the Tribune supported his decision not to step aside as treasurer.

With his conviction in the case, however, he did the proper thing in immediately turning over the office operation to Deputy Treasurer Donald Johnson. In so doing, he'll have no part in the department's functioning and no contact with the office, the acting treasurer or department personnel. He also had given up his salary.

While he hasn't formally resigned, pending the outcome of his right of appeal, for all intents and purposes that's the exact result of his decision to step aside. At this point, we have no strong feelings either way about whether he makes it formal.

We, like many of Dwyer's friends here, want in every way to believe him when he maintains: "I have done nothing wrong. I did not let the people down. The system let me down."

Dwyer maintains his innocence. His record, reputation and often demonstrated integrity are persuasive factors especially as they contrast the testimony of convicted felons against him.

This case points up how important the appeals process is

within our system of justice. Even laymen untrained in legal matters could see in certain proceedings the grounds for appeal.

-The jury at one point asked for a re-reading of one witness's testimony. But the judge discouraged this re-reading by saying it could take up to three days to complete. Such expedience does not serve justice, as the appeals court well may rule.

-The jury was not sequestered and thus was exposed to any and all accounts of the case and its background. That the jurors may have been influenced is moot, but certainly the chance existed.

Throughout the entire matter, we've been troubled by Dwyer's accusers. Those who presented the most damaging testimony either conceived the scheme or were directly and personally involved. The accusers either have been convicted or have been granted immunity for their testimony. That means they have nothing to lose but much to gain.

Regardless of the outcome of appeals, Budd Dwyer has had his career in government closed — and Pennsylvanians have lost a highly capable, highly altruistic public servant.

But we are finding that he has not lost the respect and friendship of most area residents.

UNCLASSIFIED

1/26/87

Judge,

RE: R. BUDD DWYER,
TREASURER OF PENNSYLVANIA;
ET AL;
HOBBS ACT; CONSPIRACY;
ITAR - BRIBERY; MF;
OO: PHILADELPHIA

324 411

SYNOPSIS: R. Budd Dwyer, Treasurer, Commonwealth of Pennsylvania, indicted on 5/13/86, by Federal grand jury (FGJ), Harrisburg, Pennsylvania, charging violations of Conspiracy, Mail Fraud, ITAR-Bribery, and Perjury, was convicted in U.S. District Court on 12/18/86, having been found guilty on all counts following a jury trial. He was scheduled for sentencing on 1/23/87. On 1/22/87, Dwyer committed suicide publicly during a scheduled press conference.

DETAILS: Investigation was initiated on 7/6/84 based upon predication from the Office of Auditor General, Commonwealth of Pennsylvania. The investigation focused on John Torquato, hidden owner of Computer Technology Associates, Incorporated (CTA) of California, who was seeking to do business with Pennsylvania. It was alleged that Torquato through the assistance of Dauphin County Republican Committee Chairman William Smith, was instrumental in obtaining an amendment to existing law allowing the Treasurer of Pennsylvania to collect \$25 million in overpayments made by Commonwealth employees to Social Security sick leave accounts. It was further alleged that Torquato and Smith arranged for payoffs to several politicians and public officials, including R. Budd Dwyer, Commonwealth Treasurer, in exchange for a major data processing contract for CTA to recover the \$25 million overpayments. Torquato had agreed to pay \$300,000 to Dwyer, \$100,000 to David I. Herbert, Director of Social Security for Public Employees, and \$200,000 to others including former Pennsylvania Republican Chairman Robert Bruce Asher.

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b7C
62-428496-8

On 10/22/84, FGJ Harrisburg indicted Torquato, Herbert, Smith and two others. Dwyer and Asher were not included in this indictment. The indictment [redacted]

194-4-25 56X

Torquato pled guilty and testified against the other defendants leading to their convictions in May 1985.

- 1 - Mr. Revell
- 1 - Mr. W. M. Baker
- 1 - Mr. Clarke
- 1 - Mr. Daniels
- 1 - [redacted]
- 1 - [redacted]
- 1 - [redacted]
- 1 - [redacted]
- 1 - CID Administrative Unit

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b7C

TCD:vf (12)

UNCLASSIFIED

UNCLASSIFIED

On 5/13/86, GFJ Harrisburg indicted Dwyer and Asher charging Conspiracy, Mail Fraud, ITAR-Bribery, and Perjury. The perjury charge stemmed from the testimony of Dwyer at the May 1985 trial of the other defendants in this case.

On 12/18/86, following a month long trial, Dwyer and Asher were found guilty based on documents and testimony presented at the trial. Sentencing was scheduled for 1/23/87.

CURRENT DEVELOPMENTS: Dwyer called a press conference for 10:30 a.m. on 1/22/87, at which time he handed out an approximately 40 page statement with a cover letter directed to U.S. Senator Joseph Biden. The statement contained Dwyer's comments about the Bribery investigation and prosecution of him. Following some brief remarks, he pulled a revolver and shot himself.

The written statement claimed unfairness in the prosecution and trial specifically mentioning the Trial Judge, U.S. Attorneys Office and the FBI. Two Harrisburg Resident Agency case Agents were referred to by name claiming involvement in FGJ leaks and that their motivation was to obtain incentive awards for working big cases.

The statement apparently had already been mailed to Senator Biden and Congressman Peter Rodino. It should be noted that the investigation was historical and based upon a reconstruction of documents and testimony. No investigative techniques were employed.

↑
Sensitive

 F. I. Clarke 

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

AIRTEL

4/25/88

TO : DIRECTOR, FBI (194-4683)
(ATTENTION: [REDACTED] ROOM 4790, FBIHQ)

WGD/RE
FROM : SAC, PHILADELPHIA (194C-361) (SQ11) (P)

SUBJECT: [REDACTED]

NAME CHECK REQUEST

Buded 4/25/88

MacPO

mark Phenicic

Re: Bureau airtel to Philadelphia 3/25/88.

For the information of the Bureau, captioned individual is not identical with [REDACTED] a subject in Philadelphia file 194C-361, captioned "R. BUDD DWYER, Treasurer of Pennsylvania, et al; Hobbs Act, Mail Fraud, Conspiracy."

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b7C

DE-90

194-4683-57

APR 27 1988

ld ② - Bureau (194-4683)
1 - Philadelphia (194C-361) (HRA)

REB:pd
(3)

13 OCT 13 1988

TRANSMIT VIA: AIRTEL

CLASSIFICATION: _____

DATE: 3/25/88

FROM: Director, FBI (194-4683)

TO: SAC, Philadelphia (194C-361)

[Redacted]

NAME CHECK REQUEST

BUDED: 4/25/88

This Bureau is in receipt of a name check request from the [Redacted] concerning the captioned individual, copy of which is attached.

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Philadelphia is directed to its case 194C-361, captioned "R. BUDD DWYER, TREASURER OF PENNSYLVANIA, ET AL; HOBBS ACT, MAIL FRAUD, CONSPIRACY," where [Redacted] appears to be one of the subjects.

We are authorized to conduct name checks for Federal Executive Branch Agencies under MAOP, Part 2, Section 9, 9-2.4. As this investigation is pending, please contact the U. S. Attorney for dissemination guidance from a prosecutive standpoint on the subject.

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Philadelphia is to ascertain if captioned individual is identical to the [Redacted] in your case 194C-361. If determined to be identical, Philadelphia is to submit the results of this contact by Airtel and LHM suitable for dissemination, setting forth the facts of the case that can be disseminated and the USA's opinion to the attention of [Redacted] Name Check and Service Unit, Room 4790, FBIHQ.

194-4683-58

Enclosure

Mr. [Redacted] Room 3849

APR 19 1988

JJG:myw (6)

NOTE: This matter was coordinated with SA [Redacted] Criminal Investigative Division.

- Exec AD Adm _____
- Exec AD Inv _____
- Exec AD LES _____
- Asst. Dir. _____
- Adm. Serv _____
- Ident _____
- Insp _____
- Intell _____
- Lab _____
- Legal Coun _____
- Off. Cong. & Public Affs _____
- Rec. Mgmt _____
- Tech. Servs _____
- Training _____
- Off. Liaison & Int. Affs _____
- Telephone Rm _____
- Director's Sec'y _____

16 JAN 19 1989
MAIL ROOM

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 3/25/88

Handwritten initials/signature

SPP
 CLASS
 SRC'D
 SER
 REC

TO: DIRECTOR, FBI

FROM: SAC, PHILADELPHIA (194C-361)(HRA)(P)

SUBJECT: R. BUDD DWYER, TREASURER OF PENNSYLVANIA;
 ET AL; *BUDD DWYER*
 HOBBS ACT; MF; ITAR; CONSPIRACY
 (OO: PHILADELPHIA)

Enclosed for FBIHQ are two copies of an FD-302 dated 3/24/88, in regard to the captioned case.

The captioned investigation has been a very high-profile corruption case which resulted in numerous indictments and convictions of several individuals, one of whom was R. BUDD DWYER, former Treasurer of the Commonwealth of Pennsylvania. On the day prior to his sentencing, DWYER publicly committed suicide and at that time made numerous allegations concerning his prosecution and conviction. Most of the allegations centered around malicious, selective prosecution and plea bargaining in regard to individuals connected with subjects and witnesses connected with this case.

The Office of Professional Responsibility in the Department of Justice conducted an extensive inquiry in regard to Acting United States Attorney (USA) JAMES J. WEST, Middle District of Pennsylvania, Harrisburg, Pennsylvania, and his handling of the case. Their investigation resulted in findings that there was absolutely no wrongdoing whatsoever on the part of USA WEST or anyone else in connection with the DWYER investigation and prosecution.

Recently, a 96-page pamphlet entitled "THE SINS OF OUR FATHERS", referred to in the enclosed FD-302, appeared on the newsstands in the Harrisburg area. A review of the pamphlet indicated that two free-lance writers have been working for some time in regard to the DWYER case and other corruption matters in an effort to historically attempt to re-construct their views of corruption in Pennsylvania. As pointed out in the enclosed FD-302, they attributed direct quotes to [redacted] Some of these quotes allege wrongdoing on the part of Attorney General MEESE and other unknown Department of Justice officials in reference to the political handling of

2- Bureau (Encl. 2) *1cc - pcc 1 encl - pd 44-4683-59*
 2- Philadelphia (194C-361)(HRA)

DJM:drj
(4)

APR 18 1988

[Redacted box]

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

16 MAR 09 1989

the DWYER prosecution and the Department's subsequent review of USA WEST's activities.

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A review of the pamphlet also indicated that the two authors attempted to have their findings published by three reputable newspapers and their story was rejected.

USA WEST has forwarded a copy of the entire publication to JOHN C. KEENEY, Deputy Assistant Attorney General, in the Justice Department at Washington who, through the years, has been overseeing the DWYER investigations and prosecutions. USA WEST advised that KEENEY advised him they would review the information and make a decision as to whether or not it should be forwarded to the Special Prosecutors' office or the Department's Office of Professional Responsibility.

USA WEST was advised by SSR [redacted] that based on the source of the allegations, that the FBI would interview his [redacted] to determine if, in fact, she said these things. The enclosed FD-302 reveals that [redacted] adamantly denied having said any of the things attributed to her which pertain to any allegations of wrongdoing on the part of Attorney General MEESE or USA WEST.

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Because the results of [redacted] interview are completely contrary to information attributed to her in the pamphlet, her information has been supplied to USA WEST so that he can forward it to Deputy Assistant Attorney General KEENEY.

Because of the nature of this information and the high-profile this case has had, information is being supplied to FBIHQ in the event that they have inquiries from the Department. If the need arises for any further information, contact should be made with SSRA DAVID J. MALARNEY, Harrisburg Resident Agency, Philadelphia Division.

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 10/28/88

To : Director, FBI (Attention: Criminal Investigative Division)
 From : SAC, PHILADELPHIA (194A-361) (HRA) (P)
 Subject : Public Corruption Data Transmittal Form

1. Title: (use additional page if necessary) R. BUDD DWYER, Treasurer of Pennsylvania;
ET AL;
HOBBS ACT
(OO: PH)

Re:

Budd Dwyer

2. Enclosed are the original and three copies of a LHM for dissemination purposes. (check if appropriate)

3. Office of Origin File No. 194A - 361 (include alpha)

4. Initial submission Supplemental submission (check one)

5. Date opened upon SAC authority 6/27/84

6. Level of subject official (See codes on reverse. Use additional pages, as necessary, for additional subjects.)

Level L03 Number of Subject(s) 1
 Level L09 Number of Subject(s) 1
 Level _____ Number of Subject(s) _____

7. Indicate which of the following investigative techniques have been utilized to date. (check all appropriate boxes)

Code Number / Description

- Z1 Acct. Tech. Assist.
- Z2 Aircraft Assist.
- Z3 Computer Assist.
- Z4 Consensual Monitoring
- Z5 Elsur - FISC
- Z6 Elsur - Title III
- Z7 Eng. Sect. Field Support
- Z8 Eng. Sect. Tape Exams
- Z9 Hypnosis Assist.
- Z10 Ident Div. Assist.
- Z11 (A) Symbolized Informant
- Z11 (B) Cooperating Witness
- Z11 (C) Cooperating Subject
- Z12 Lab. Div. Exams
- Z13 Lab. Div. Field Support

Code Number / Description

- Z14 Pen Registers
- Z15 Photo Coverage
- Z16 Polygraph Assist.
- Z17 Search Warrants Use
- Z18 Show Money Use
- Z19 Surveillance Squad Use
- Z20 Swat Team
- Z21 Tech. Agent
- Z22 Telephone Toll Records
- Z23 Group I UCO
- Z24 Group II UCO
- Z25 Undercover - Other
- Z26 NCAVG/VI - CAP
- Z27 VIA

2 Field Office 1- 194A-361; 1- 193-130
 3 FBIHQ
 (1 - White-Collar Crimes Section, Public Corruption Unit)

194-4683-60

7 NOV 2 1988

DFJ:drj
(5)

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

2 CC TO WCCS, RM 3849
 DATE: 11/14/88 BY: DRR/igs



NOV 28 1983

Codes for Levels of Officials			
Federal		Local (Continued)	
K01	President	M13	Law Enforcement Officer - command position Field Office or SSRA city
K02	Vice-President	M14	Law Enforcement Officer - command position Non-Field Office or SSRA city
K03	Cabinet Level	M15	Law Enforcement Officer - ranking officer Field Office or SSRA city
K04	U.S. Senator	M16	Law Enforcement Officer - ranking officer Non-Field Office or SSRA city
K05	U.S. Representative	M17	Other Elected Officials - Field Office or SSRA city
K06	Judge	M18	Other Elected Officials - Non-Field Office or SSRA city
K07	Prosecutor	M19	Public Employee (appointed) - Field Office or SSRA city, managerial level or above
K08	Law Enforcement Official	M20	Public Employee (appointed) - Non-Field Office or SSRA city, managerial level or above
K09	Federal Employee, GS-13 and above	M21	Public Employee (appointed) - Field Office or SSRA city, less than managerial
K10	Federal Employee, GS-12 and below	M22	Public Employee (appointed) - Non-Field Office or SSRA city, less than managerial
K11	Military Personnel, commissioned		
K12	Military Personnel, non-commissioned		
State		Territorial	
L01	Governor	N01	Governor
L02	Lt. Governor	N02	Lt. Governor
L03	Cabinet Level	N03	Cabinet Level
L04	Senator	N04	Senator
L05	Representative	N05	Representative
L06	Judge	N06	Judge
L07	Prosecutor	N07	Prosecutor
L08	Law Enforcement Officer	N08	Law Enforcement Officer
L09	State Employee, managerial or above	N09	Territorial Employee, managerial or above
L10	State Employee, less than managerial	N10	Territorial Employee, less than managerial
Local			
M01	Mayor - Field Office or SSRA city		
M02	Mayor - Non-Field Office or SSRA city		
M03	Legislator (Commissioner, Council- man, etc.) Field Office or SSRA city		
M04	Legislator (Commissioner, Council- man, etc.) Non-Field Office or SSRA city		
M05	Judge - Field Office or SSRA city		
M06	Judge - Non-Field Office of SSRA city		
M07	Prosecutor - Field Office or SSRA city		
M08	Prosecutor - Non-Field Office or SSRA city		
M09	Chief of Police - Field Office or SSRA city		
M10	Chief of Police - Non-Field Office or SSRA city		
M11	Sheriff - Field Office or SSRA city		
M12	Sheriff - Non-Field Office or SSRA city		

8. Type of Corruption Investigated (check all appropriate boxes)

Code Number/Description

(A) Judicial Corruption

A1 Federal

A2 State

A3 Local

A4 Territorial

(C) Contract Corruption

C1 Federal

C2 State

C3 Local

C4 Territorial

(E) Law Enforcement Corruption

E1 Federal

E2 State

E3 Local

E4 Territorial

Code Number/Description

(B) Legislative Corruption

B1 Federal

B2 State

B3 Local

B4 Territorial

(D) Regulatory Corruption

D1 Federal

D2 State

D3 Local

D4 Territorial

9. Does corruption involve drug related activity? (check one) Yes No

10. Statistical Accomplishments (number since last submission)

A. Complaints _____

B. Informants _____

C. Indictments 2

D. Convictions 7

E. Pre-trial Diversions _____

F. Acquittal _____

G. Recoveries _____

H. Restitutions _____

I. Potential Economic Loss Prevented \$4,341,250

11. Forfeiture Provisions Utilized (check one) Yes No

12. Status of Case (check one)

Pending Preliminary Inquiry

Pending Full Investigation

Closed

13. Basis for Closing (check one)

U.S. Attorney Declination

Dismissal

Acquittal

Conviction

Administrative by SAC (no other basis involved)

Additional Administrative Data (if needed):

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 5/1/89

KE
unb/g

To : Director, FBI (Attention: Criminal Investigative Division)
 From : SAC, PHILADELPHIA (194A-361) (HRA) (P)
 Subject : Public Corruption Data Transmittal Form

Ed

1. Title: (use additional page if necessary) R. BUDD DWYER, TREASURER OF PENNSYLVANIA;
ET AL;
HOBBS ACT; FBW; MF; CONSPIRACY
 Re: (OO: PHILADELPHIA)

2. Enclosed are the original and three copies of a LHM for dissemination purposes.
 (check if appropriate)

Budd DWYER

3. Office of Origin File No. 194A - 361 (include alpha)

4. Initial submission Supplemental submission (check one)

5. Date opened upon SAC authority 6/27/84

6. Level of subject official (See codes on reverse. Use additional pages, as necessary, for additional subjects.)

Level LO3 Number of Subject(s) 1
 Level LO9 Number of Subject(s) 1
 Level _____ Number of Subject(s) _____

7. Indicate which of the following investigative techniques have been utilized to date.
 (check all appropriate boxes)

Code Number / Description

- Z1 Acct. Tech. Assist.
- Z2 Aircraft Assist.
- Z3 Computer Assist.
- Z4 Consensual Monitoring
- Z5 Elsur - FISC
- Z6 Elsur - Title III
- Z7 Eng. Sect. Field Support
- Z8 Eng. Sect. Tape Exams
- Z9 Hypnosis Assist.
- Z10 Ident Div. Assist.
- Z11 (A) Symbolized Informant
- Z11 (B) Cooperating Witness
- Z11 (C) Cooperating Subject
- Z12 Lab. Div. Exams
- Z13 Lab. Div. Field Support

Code Number / Description

- Z14 Pen Registers
- Z15 Photo Coverage
- Z16 Polygraph Assist.
- Z17 Search Warrants Use
- Z18 Show Money Use
- Z19 Surveillance Squad Use
- Z20 Swat Team
- Z21 Tech. Agent
- Z22 Telephone Toll Records
- Z23 Group I UCO
- Z24 Group II UCO
- Z25 Undercover - Other
- Z26 NCAVG/VI - CAP
- Z27 VIA

(BAM)

61

94-4683-

2 - Field Office 1- 194A-361; (HRA); 1- 194-130
 ③ FBIHQ
 (1 - White-Collar Crimes Section, Public Corruption Unit)

MAY 8 1989

DFJ:drj
 (5)

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

SIX
Russ

1 Airtel + 1 CC TO WCCS, RM 3849
 DATE: 5-9-89 BY: I. P. J.

211

Codes for Levels of Officials

Federal		Local (Continued)	
K01 President K02 Vice-President K03 Cabinet Level K04 U.S. Senator K05 U.S. Representative K06 Judge K07 Prosecutor K08 Law Enforcement Officer K09 Federal Employee, GS-13 and above K10 Federal Employee, GS-12 and below K11 Military Personnel, commissioned K12 Military Personnel, non-commissioned		M13 Law Enforcement Officer - command position Field Office or SSRA city M14 Law Enforcement Officer - command position Non-Field Office or SSRA city M15 Law Enforcement Officer - ranking officer Field Office or SSRA city M16 Law Enforcement Officer - ranking officer Non-Field Office or SSRA city M17 Other Elected Officials - Field Office or SSRA city M18 Other Elected Officials - Non-Field Office or SSRA city M19 Public Employee (appointed) - Field Office or SSRA city, managerial level or above M20 Public Employee (appointed) - Non-Field Office or SSRA city, managerial level or above M21 Public Employee (appointed) - Field Office or SSRA city, less than managerial M22 Public Employee (appointed) - Non-Field Office or SSRA city, less than managerial	
State			
L01 Governor L02 Lt. Governor L03 Cabinet Level L04 Senator L05 Representative L06 Judge L07 Prosecutor L08 Law Enforcement Officer L09 State Employee, managerial or above L10 State Employee, less than managerial			
Local		Territorial	
M01 Mayor - Field Office or SSRA city M02 Mayor - Non-Field Office or SSRA city M03 Legislator (Commissioner, Council- man, etc.) Field Office or SSRA city M04 Legislator (Commissioner, Council- man, etc.) Non-Field Office or SSRA city M05 Judge - Field Office or SSRA city M06 Judge - Non-Field Office of SSRA city M07 Prosecutor - Field Office or SSRA city M08 Prosecutor - Non-Field Office or SSRA city M09 Chief of Police - Field Office or SSRA city M10 Chief of Police - Non-Field Office or SSRA city M11 Sheriff - Field Office or SSRA city M12 Sheriff - Non-Field Office or SSRA city		N01 Governor N02 Lt. Governor N03 Cabinet Level N04 Senator N05 Representative N06 Judge N07 Prosecutor N08 Law Enforcement Officer N09 Territorial Employee, managerial or above N10 Territorial Employee, less than managerial	

8. Type of Corruption Investigated (check all appropriate boxes)

Code Number/Description

(A) Judicial Corruption

- A1 Federal
- A2 State
- A3 Local
- A4 Territorial

Code Number/Description

(B) Legislative Corruption

- B1 Federal
- B2 State
- B3 Local
- B4 Territorial

(C) Contract Corruption

- C1 Federal
- C2 State
- C3 Local
- C4 Territorial

(D) Regulatory Corruption

- D1 Federal
- D2 State
- D3 Local
- D4 Territorial

(E) Law Enforcement Corruption

- E1 Federal
- E2 State
- E3 Local
- E4 Territorial

9. Does corruption involve drug related activity? (check one) Yes No

10. Statistical Accomplishments (number since last submission)

- | | | | |
|-------------------------|----------|--------------------------------------|--------------------|
| A. Complaints | _____ | F. Acquittal | _____ |
| B. Informants | _____ | G. Recoveries | _____ |
| C. Indictments | <u>2</u> | H. Restitutions | _____ |
| D. Convictions | <u>7</u> | I. Potential Economic Loss Prevented | <u>\$4,341,250</u> |
| E. Pre-trial Diversions | _____ | | |

11. Forfeiture Provisions Utilized (check one) Yes No

12. Status of Case (check one)

- Pending Preliminary Inquiry
- Pending Full Investigation
- Closed

13. Basis for Closing (check one)

- U.S. Attorney Declination
- Dismissal
- Acquittal
- Conviction
- Administrative by SAC (no other basis involved)

Additional Administrative Data (if needed):

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 11/28/89

SSP
CLASS
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SER
REC

To : Director, FBI (Attention: Criminal Investigative Division)
 From : SAC, PHILADELPHIA (194A-361) (HRA) (P)
 Subject : Public Corruption Data Transmittal Form

1. Title: (use additional page if necessary) R. BUDD DWYER, Treasurer of Pennsylvania;
 ET AL;
 HOBBS ACT; FBW; MF; CONSPIRACY
 Re: (OO: PH)

2. Enclosed are the original and three copies of a LHM for dissemination purposes.
 (check if appropriate)

3. Office of Origin File No. 194A - 361 (include alpha)

4. Initial submission Supplemental submission (check one)

5. Date opened upon SAC authority 6/27/84

6. Level of subject official (See codes on reverse. Use additional pages, as necessary, for additional subjects.)

Level L03 Number of Subject(s) 1
 Level L09 Number of Subject(s) 1
 Level _____ Number of Subject(s) _____

7. Indicate which of the following investigative techniques have been utilized to date.
 (check all appropriate boxes)

Code Number / Description

- Z1 Acct. Tech. Assist.
- Z2 Aircraft Assist.
- Z3 Computer Assist.
- Z4 Consensual Monitoring
- Z5 Elsur - FISC
- Z6 Elsur - Title III
- Z7 Eng. Sect. Field Support
- Z8 Eng. Sect. Tape Exams
- Z9 Hypnosis Assist.
- Z10 Ident Div. Assist.
- Z11 (A) Symbolized Informant
- Z11 (B) Cooperating Witness
- Z11 (C) Cooperating Subject
- Z12 Lab. Div. Exams
- Z13 Lab. Div. Field Support

Code Number / Description

- Z14 Pen Registers
- Z15 Photo Coverage
- Z16 Polygraph Assist.
- Z17 Search Warrants Use
- Z18 Show Money Use
- Z19 Surveillance Squad Use
- Z20 Swat Team
- Z21 Tech. Agent
- Z22 Telephone Toll Records
- Z23 Group I UCC
- Z24 Group II UCC
- Z25 Undercover - Other
- Z26 NCAVG/VI - CAP
- Z27 VIA

DEC 5 1989

2 - Field Office 1- 194A-361 (HRA); 1- 194-130
 ③ FBIHQ
 (1 - White-Collar Crimes Section, Public Corruption Unit)

DFJ:drj
(5)

Approved: _____ Transmitted _____ (Number) (Time) Per Russo

1 Airtel + 1 CC TO WCCS, RM 3849
 DATE: 12-7-89 BY: I. P. J.

Codes for Levels of Officials

Federal		Local (Continued)	
K01	President	M13	Law Enforcement Officer - command position Field Office or SSRA city
K02	Vice-President	M14	Law Enforcement Officer - command position Non-Field Office or SSRA city
K03	Cabinet Level	M15	Law Enforcement Officer - ranking officer Field Office or SSRA city
K04	U.S. Senator	M16	Law Enforcement Officer - ranking officer Non-Field Office or SSRA city
K05	U.S. Representative	M17	Other Elected Officials - Field Office or SSRA city
K06	Judge	M18	Other Elected Officials - Non-Field Office or SSRA city
K07	Prosecutor	M19	Public Employee (appointed) - Field Office or SSRA city, managerial level or above
K08	Law Enforcement Official	M20	Public Employee (appointed) - Non-Field Office or SSRA city, managerial level or above
K09	Federal Employee, GS-13 and above	M21	Public Employee (appointed) - Field Office or SSRA city, less than managerial
K10	Federal Employee, GS-12 and below	M22	Public Employee (appointed) - Non-Field Office or SSRA city, less than managerial
K11	Military Personnel, commissioned		
K12	Military Personnel, non-commissioned		
State		Territorial	
L01	Governor	N01	Governor
L02	Lt. Governor	N02	Lt. Governor
L03	Cabinet Level	N03	Cabinet Level
L04	Senator	N04	Senator
L05	Representative	N05	Representative
L06	Judge	N06	Judge
L07	Prosecutor	N07	Prosecutor
L08	Law Enforcement Officer	N08	Law Enforcement Officer
L09	State Employee, managerial or above	N09	Territorial Employee, managerial or above
L10	State Employee, less than managerial	N10	Territorial Employee, less than managerial
Local			
M01	Mayor - Field Office or SSRA city		
M02	Mayor - Non-Field Office or SSRA city		
M03	Legislator (Commissioner, Council- man, etc.) - Field Office or SSRA city		
M04	Legislator (Commissioner, Council- man, etc.) - Non-Field Office or SSRA city		
M05	Judge - Field Office or SSRA city		
M06	Judge - Non-Field Office of SSRA city		
M07	Prosecutor - Field Office or SSRA city		
M08	Prosecutor - Non-Field Office or SSRA city		
M09	Chief of Police - Field Office or SSRA city		
M10	Chief of Police - Non-Field Office or SSRA city		
M11	Sheriff - Field Office or SSRA city		
M12	Sheriff - Non-Field Office or SSRA city		

3. Type of Corruption Investigated (check all appropriate boxes)

Code Number/Description

(A) Judicial Corruption

- A1 Federal
- A2 State
- A3 Local
- A4 Territorial

(C) Contract Corruption

- C1 Federal
- C2 State
- C3 Local
- C4 Territorial

(E) Law Enforcement Corruption

- E1 Federal
- E2 State
- E3 Local
- E4 Territorial

Code Number/Description

(B) Legislative Corruption

- B1 Federal
- B2 State
- B3 Local
- B4 Territorial

(D) Regulatory Corruption

- D1 Federal
- D2 State
- D3 Local
- D4 Territorial

9. Does corruption involve drug related activity? (check one) Yes No

10. Statistical Accomplishments (number since last submission)

- | | | | |
|-------------------------|----------|--------------------------------------|--------------------|
| A. Complaints | _____ | F. Acquittal | _____ |
| B. Informants | _____ | G. Recoveries | _____ |
| C. Indictments | <u>2</u> | H. Restitutions | _____ |
| D. Convictions | <u>7</u> | I. Potential Economic Loss Prevented | <u>\$4,341,250</u> |
| E. Pre-trial Diversions | _____ | | |

11. Forfeiture Provisions Utilized (check one) Yes No

12. Status of Case (check one)

- Pending Preliminary Inquiry
- Pending Full Investigation
- Closed

13. Basis for Closing (check one)

- U.S. Attorney Declination
- Dismissal
- Acquittal
- Conviction
- Administrative by SAC (no other basis involved)

Additional Administrative Data (if needed):

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 12/8/89

To : Director, FBI (Attention: Criminal Investigative Division)
 From : SAC, PHILADELPHIA (194A-361) (HRA) (C)
 Subject : Public Corruption Data Transmittal Form

enc

1. Title: (use additional page if necessary)
 R. BUDD DWYER, *Budd Dwyer*
 TREASURER OF PENNSYLVANIA;
 Re: ET AL; HOBBS ACT; FBW: MF; CONSPIRACY; PERJURY: (OO: PH)

me

2. Enclosed are the original and three copies of a LHM for dissemination purposes. (check if appropriate)

3. Office of Origin File No. 194A-- 361 (include alpha)

4. Initial submission Supplemental submission (check one)

5. Date opened upon SAC authority 6/27/84

6. Level of subject official (See codes on reverse. Use additional pages, as necessary, for additional subjects.)

Level LO 3 Number of Subject(s) 1
 Level LO 9 Number of Subject(s) 1
 Level _____ Number of Subject(s) _____

194-4683-63

7. Indicate which of the following investigative techniques have been utilized to date. (check all appropriate boxes)

Code Number / Description

- Z1 Acct. Tech. Assist.
- Z2 Aircraft Assist.
- Z3 Computer Assist.
- Z4 Consensual Monitoring
- Z5 Elsur - FISC
- Z6 Elsur - Title III
- Z7 Eng. Sect. Field Support
- Z8 Eng. Sect. Tape Exams
- Z9 Hypnosis Assist.
- Z10 Ident Div. Assist.
- Z11 (A) Symboled Informant
- Z11 (B) Cooperating Witness
- Z11 (C) Cooperating Subject
- Z12 Lab. Div. Exams
- Z13 Lab. Div. Field Support

Code Number / Description

- Z14 Pen Registers
- Z15 Photo Coverage
- Z16 Polygraph Assist.
- Z17 Search Warrants Use
- Z18 Show Money Use
- Z19 Surveillance Squad Use
- Z20 Swat Team
- Z21 Tech. Agent
- Z22 Telephone Toll Records
- Z23 Group I UCO
- Z24 Group II UCO
- Z25 Undercover - Other
- Z26 NCAVG/VI - CAP
- Z27 VIA

b6
b7c

*Photo LHM (cc: Asher)
USSS/Arms Reach Prog.
01/15/03 AA 01/15/03
17/12/03 p/ll*

2 - Field Office
 3 - FBIHQ
 (1 - White-Collar Crimes Section, Public Corruption Unit)

DEC 28 1989

Approved: _____ Transmitted _____ (Number) _____

5-1-89
 2 CC'S TO DOJ/PIS
 2 Airbels + 1 CC TO WCCS, RM 3849
 DATE: 12-29-89 BY: I. P. J.

Codes for Levels of Officials

Federal		Local (Continued)	
K01	President	M13	Law Enforcement Officer - command position Field Office or SSRA city
K02	Vice-President	M14	Law Enforcement Officer - command position Non-Field Office or SSRA city
K03	Cabinet Level	M15	Law Enforcement Officer - ranking officer Field Office or SSRA city
K04	U.S. Senator	M16	Law Enforcement Officer - ranking officer Non-Field Office or SSRA city
K05	U.S. Representative	M17	Other Elected Officials - Field Office or SSRA city
K06	Judge	M18	Other Elected Officials - Non-Field Office or SSRA city
K07	Prosecutor	M19	Public Employee (appointed) - Field Office or SSRA city, managerial level or above
K08	Law Enforcement Official	M20	Public Employee (appointed) - Non-Field Office or SSRA city, managerial level or above
K09	Federal Employee, GS-13 and above	M21	Public Employee (appointed) - Field Office or SSRA city, less than managerial
K10	Federal Employee, GS-12 and below	M22	Public Employee (appointed) - Non-Field Office or SSRA city, less than managerial
K11	Military Personnel, commissioned		
K12	Military Personnel, non-commissioned		
State		Territorial	
L01	Governor	N01	Governor
L02	Lt. Governor	N02	Lt. Governor
L03	Cabinet Level	N03	Cabinet Level
L04	Senator	N04	Senator
L05	Representative	N05	Representative
L06	Judge	N06	Judge
L07	Prosecutor	N07	Prosecutor
L08	Law Enforcement Officer	N08	Law Enforcement Officer
L09	State Employee, managerial or above	N09	Territorial Employee, managerial or above
L10	State Employee, less than managerial	N10	Territorial Employee, less than managerial
Local			
M01	Mayor - Field Office or SSRA city		
M02	Mayor - Non-Field Office or SSRA city		
M03	Legislator (Commissioner, Councilman, etc.) Field Office or SSRA city		
M04	Legislator (Commissioner, Councilman, etc.) Non-Field Office or SSRA city		
M05	Judge - Field Office or SSRA city		
M06	Judge - Non-Field Office of SSRA city		
M07	Prosecutor - Field Office or SSRA city		
M08	Prosecutor - Non-Field Office or SSRA city		
M09	Chief of Police - Field Office or SSRA city		
M10	Chief of Police - Non-Field Office or SSRA city		
M11	Sheriff - Field Office or SSRA city		
M12	Sheriff - Non-Field Office or SSRA city		

8. Type of Corruption Investigated (check all appropriate boxes)

Code Number/Description

- (A) Judicial Corruption
A1 Federal
A2 State
A3 Local
A4 Territorial

Code Number/Description

- (B) Legislative Corruption
B1 Federal
B2 State
B3 Local
B4 Territorial

(C) Contract Corruption

- C1 Federal
C2 State
C3 Local
C4 Territorial

(D) Regulatory Corruption

- D1 Federal
D2 State
D3 Local
D4 Territorial

(E) Law Enforcement Corruption

- E1 Federal
E2 State
E3 Local
E4 Territorial

9. Does corruption involve drug related activity? (check one) Yes No

10. Statistical Accomplishments (number since last submission)

- | | | | |
|-------------------------|-------|--------------------------------------|-------|
| A. Complaints | _____ | F. Acquittal | _____ |
| B. Informants | _____ | G. Recoveries | _____ |
| C. Indictments | _____ | H. Restitutions | _____ |
| D. Convictions | _____ | I. Potential Economic Loss Prevented | _____ |
| E. Pre-trial Diversions | _____ | | |

11. Forfeiture Provisions Utilized (check one) Yes No

12. Status of Case (check one)

- Pending Preliminary Inquiry
 Pending Full Investigation
 Closed

13. Basis for Closing (check one)

- U.S. Attorney Declination
 Dismissal
 Acquittal
 Conviction
 Administrative by SAC (no other basis involved)

Additional Administrative Data (if needed):

Case resulted in seven convictions; however, US Attorney, MDPA on November 29, 1989, declined further prosecution of other subjects based on the facts of the case.



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Philadelphia, Pennsylvania
December 8, 1989

R. BUDD DWYER,
TREASURER OF PENNSYLVANIA; [REDACTED]

[REDACTED]
TREASURY DEPARTMENT, COMMONWEALTH OF
PENNSYLVANIA; DAVID I. HERBERT, FORMER DIRECTOR;
BUREAU OF SOCIAL SECURITY FOR PUBLIC EMPLOYEES,
DEPARTMENT OF LABOR AND INDUSTRY, COMMONWEALTH
OF PENNSYLVANIA; [REDACTED]

[REDACTED] COMMONWEALTH OF PENNSYLVANIA; [REDACTED]

[REDACTED] COMMONWEALTH OF
PENNSYLVANIA; [REDACTED]

COMMONWEALTH OF PENNSYLVANIA [REDACTED]

REPRESENTATIVE, COMMONWEALTH OF PENNSYLVANIA;
ROBERT W. ASHER; CHAIRMAN OF THE REPUBLICAN STATE
COMMITTEE FOR THE COMMONWEALTH OF PENNSYLVANIA;
WILLIAM T. SMITH; CO-CHAIRMAN, DAUPHIN COUNTY
REPUBLICAN COMMITTEE; [REDACTED]

[REDACTED] PITTSBURGH, PENNSYLVANIA; JOHN
ROBERT TOROUATO, JR., OWNER, COMPUTER TECHNOLOGY
ASSOCIATES, INC. (CTA), NEWPORT BEACH, CALIFORNIA;
JUDY ELLIS, PRESIDENT, C.T.A.; JUDY SHOPP SMITH;

[REDACTED] also known as [REDACTED] ALAN ROGERS
STONEMAN; [REDACTED]

HOBBS ACT; MAIL FRAUD; CONSPIRACY; INTERSTATE
TRANSPORTATION IN AID OF RACKETEERING-BRIBERY;
PERJURY; FRAUD BY WIRE

b6
b7C

(H)

This investigation was opened on June 27, 1984, predicated on information provided by the office of the Auditor General for the Commonwealth of Pennsylvania who advised that state officials were to receive payoffs in connection with the awarding of a multi-million dollar contract to recover Federal Insurance Contributions Act (FICA) funds.

This document contains neither
recommendations nor conclusions of
the FBI. It is the property of
the FBI and is loaned to your agency;
it and its contents are not to be
distributed outside your agency.

194-4683-63

ENCLOSURE

Investigation disclosed on May 10, 1984, the Treasurers Office of the Commonwealth of Pennsylvania entered into a contract with Computer Technology Associates, Incorporated (CTA), a California based corporation to recover FICA funds paid by and on behalf of Pennsylvania State school employees, School districts, and school entities. It was estimated that \$25 million to \$40 million would have been recovered under this program which called for the recovery of the overpaid FICA funds paid by employees on sick leave for the years 1979, 1980, and 1981. The contract called for CTA to be paid \$7.75 per person per year for this service which for the minimum recovery would have been approximately \$5 million. Investigation disclosed a proposal from a competing company, ARTHUR YOUNG and Company, CPA's, would have had a maximum cost of \$2.8 million dollars for the contract but the proposal was rejected.

As a result of this investigation JOHN R. TORQUATO JR., owner of CTA; JUDY ELLIS, President of CTA; and DAVID I. HERBERT, former Director, Bureau of Social Security for public employees, Commonwealth of Pennsylvania, entered guilty pleas. WILLIAM T. SMITH, Co-chairman, Dauphin County Republican Committee, and ALAN ROGERS STONEMAN, and attorney for CTA, were indicted and subsequently convicted after a fifteen week trial. All five of these individuals were sentenced to varying terms of incarceration. A second indictment was handed down charging R. BUDD DWYER, Treasurer of Pennsylvania and ROBERT ASHER, Chairman, State Republican Committee. After a six week trial these two individuals were also convicted. ROBERT ASHER was subsequently sentenced to a period of incarceration; however, State Treasurer DWYER fatally shot himself during a press conference on January 22, 1987, the day before he was to be sentenced.

On November 29, 1989, acting United States Attorney JAMES WEST, Middle District of Pennsylvania, advised based on the facts in this matter he declined further prosecution.