U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, D.C. 20590

DEC 12 1973

IN REPLY REFER TO:
HPR-20

Honorable Clarence M. Kelley
Director, Federal Bureau of
Investigation
Washington, D.C. 20535

George Steinbrenner
Possible Fraud in Ohio - Federal aid Highway Program
Superfluous Exam.

Attention: Latent Fingerprint Section
Identification Division

Dear Mr. Kelley: FEDERAL AID HIGHWAY PROGRAM

73121 7036

In our letter dated December 5, 1973, we submitted certain documents for examination by the FBI Laboratory--Document Examination Section. These documents were mailed to us by an anonymous source and the identification of this source would materially benefit an investigation we are conducting of possible fraud against the Government relating to the Federal-aid highway program in Ohio.

We recently received another letter from this anonymous source containing two documents:

1. An undated letter addressed to Mr. Staats.

2. An 8-page letter concerning political contributions.

The envelope was opened by Mr. N. T. Tiemann, Federal Highway Administrator, Federal Highway Administration; however, based on prior instructions neither he nor anyone else handled the two documents.

We respectfully request that an examination be made of the two enclosed documents for latent fingerprints that can be lifted and compared with any identification record on file or that can be compared with fingerprint records of any future suspects developed in our investigation. We have no suspects at the moment.

We appreciate your cooperation in this matter.

REC-47
ST-121
MCT-18
95-189353-

Sincerely yours,

DEC 20 1973

W C Thornton

W. C. Thornton
Director of Program Review
and Investigations

Enclosure

COPY AND SPECIMENS RETAINED IN LAB

Index Log Files

95-189353

SEVEN

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, D.C. 20590

DEC 12 1973

IN REPLY REFER TO:
HPR-20

Honorable Clarence M. Kelley
Director, Federal Bureau of
Investigation
Washington, D.C. 20535

George Steinbrenner
Possible Fraud in Ohio - Federal aid Highway Program
Typewriter Exam.

Attention: Latent Fingerprint Section
Identification Division

Dear Mr. Kelley:

In our letter dated December 5, 1973, we submitted certain documents for examination by the FBI Laboratory--Document Examination Section. These documents were mailed to us by an anonymous source and the identification of this source would materially benefit an investigation we are conducting of possible fraud against the Government relating to the Federal-aid highway program in Ohio.

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Sincerely yours,

W C Thornton
W. C. Thornton
Director of Program Review
and Investigations

Enclosure

95-189353

Index & Files

Dear Mr. Staats:

G. A. O. is much concerned with honesty in reporting contributions to Federal candidates. Some of the taxpayers in Ohio doubt it. Watergate is like an ice cream social as compared to the administration of Gov. John Gilligan of Ohio. They have shaken down more employees and people doing business with state government than has been done anywhere else in America.

The graft is sophisticated; the kickbacks are extortion; the payoffs are a way of life. It is everywhere.

The architects are Gilligan, Dr. Sirik, and four crooked directors, plus a few lawyers who handle graft as fees.

Your organization is supposed to have given Ohio Democrat Headquarters a clean bill of health. If they are clean, then the Watergate boys deserve a medal.

We don't want to get fired or we would sign our names, which would mean automatic exit for us.

Disgusted Democrats, who are
sick of graft !!!

95-189353 08 NV

The Ohio Democratic State Executive Committee filed with the Secretary of State on September 10, 1973, a report of receipt of political contributions for the first eight months of calendar year 1973. The report is full of inaccuracies, omissions, misstatements, and deliberate attempts to mislead anyone reviewing the report. The report is in affidavit form and has been sworn to as being correct by Allan F. Cohn.

There are several areas which should be explored relative to some of these alleged contributors, their contributions and their businesses. The following are involved:

1. Some occupations are questionable.
2. Some amounts are questionable.
3. A question as to whether the contribution listed is actually that of the contributor or if he is just reporting funds in his name which were given to him by others.
4. Whether funds were contributed by an individual in excess of $100. but were reported in unitemized contributions (limited to $100. or less).
5. Whether contributors do business with the state and if so how much.
6. Whether the contributor is a state employee and required to contribute.

Some of the individuals who should be questioned include:

1. [redacted] contributed $400. Was this his money? Does he have contracts with the Highway and Natural Resources Departments? Is the payment of contribution a prerequisite to doing business?

b6 per USDOT
b7C

2. [redacted] listed as a consultant. Contributed $250.00. Was this his money? [redacted] received on a non-negotiated personal service contract in 1972, $3,276 from the State Department of Urban Affairs. Was the contribution to be made from [redacted] funds and was it for a percentage of what the state paid [redacted] also was paid $3,360. by the Development Department in 1972.

b6 per USDOT
b7C

3. [redacted] contributed $1,000.00 He got into R. E. Lowe & Associates $172,520. in 1972 in personal service, non-negotiated contracts with the Dept. of Highway Safety. It should be determined if the contribution was his money or from others, as he was an officer of the Ohio Private Employment Service Assn. which is interested in legislation. It is believed all the money he received was for temporary help furnished the state which is unethical. Was the $1,000. all of the contribution? Who paid it? Was it for doing business with the state and if so who required it.?

4. Shelly Berman- Graphics. Is this a corporation? No occupation shown. Contributed $800.00. Whose money? How much business with the state? Records show he received $14,595. from Economic and Development Dept. in August, 1973; $21,196 in July ; $13,515 in May, 1973 from Commerce Dept; $1,170. from Welfare Dept. in March, 1973; $15,470. from Economic and Development Dept. in Feb. 1973. Was his contribution required to do state business? Who made the arrangement?

95-189353 Q10 NV

5. [redacted] contributed $2,000.00. Whose money? Was it required to get contracts? He has several contracts with the Ohio Dept. of Transportation, including over $75,000. in non-negotiated contracts in 1973.

6. [redacted] Contributed $300.00. Had a $3,250. non-negotiated contract with Economic and Community Development Dept. in May, 1973. Was the contribution his own money? Did he pay it to get the contract? Who arranged it -- if so? Had he made prior contributions or was this just one time, when he got the contract?

b6 per USDOT
b7C

7. [redacted] $1,500.; [redacted] $250.; [redacted] $1,000.; [redacted] $200.; [redacted] $200.; [redacted] $200.; [redacted] $250.; [redacted] $175.; [redacted] $200.; [redacted] $250; [redacted] $500.; [redacted] $200.; [redacted] $125.; [redacted] $2,000.; [redacted] $200.; [redacted] $125.; [redacted] $500.; [redacted] $250.; [redacted] $1,000.; [redacted] $500.; [redacted] $200.; [redacted] $200.; [redacted] $200.; [redacted] $200.; [redacted] $250.; [redacted] $125.; [redacted] $1,300.; [redacted] $500.; [redacted] $500.; [redacted] $500.; [redacted] $500.; [redacted] $250.; [redacted] $250.; [redacted] $250.; [redacted] $250.; [redacted] $200.; [redacted] $120.00.

All of the above are state employees and have many other employees under their supervision and control. They should be questioned as to whose money they contributed. Was it collected from others? Did it include sums received from other

state employees, but reported in these names? If any other employees funds are in these amounts, do they receive federal funds as part of their salaries?

8. The Automobile License Bureau of Heath, Ohio contributed $200.00. Is this money for driver licenses and auto tag kickback? Was the money from a single contributor or many? Who were they?

9. [redacted] lists himself as a business executive and contributed $1,100.00. He is in reality a pinball operator who has games of skill in liquor establishments and is paying for the privilege. Is the contribution his own money? Is he being required to pay? Who took his money?

10. [redacted] contributed $1,000.00. His Company AMS, Inc. had to pay a $17,000. attorney fee to get a contract. It should be determined if the $1,000. he paid was his money or funds from other sources. Why did he contribute -- to get contracts which he would not have gotten otherwise? He can testify about the extortion of the $17,000.00.

11. The following, with the amounts contributed, are doing business with the state departments shown:

a. [redacted] $400. - Highway & Natural Resources
b. [redacted] 500. - " " " "
c. [redacted] $1,000. - Highway
d. [redacted] $1,000. "
e. [redacted] $200. - "
f. [redacted] $300. - "
g. [redacted] $400. - Liquor
h. [redacted] $200. - Highway
i. Club Carry Out, $200. - Liquor
j. [redacted] $200. - "

b6 per USDOT
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95-189353 Q12 NV

k. [redacted] $200. - Liquor

l. [redacted] $300. - Transportation

m. [redacted] $200. - Liquor

n. [redacted] $500. - Highway Right of Way, Auto Dealer, Registrar.

o. H. R. Halas & Assoc. , $400. - Highway & Natural Resources

p. [redacted] $300. - Highway employee

q. [redacted] $200. - Highway & Natural Resources

r. [redacted] $200. - Liquor

s. [redacted] $200. - "

t. [redacted] $500. - Transportation

u. [redacted] 200. - "

v. Western Girl, Inc., $400. - Highway Safety (Got $52,456 from Highway Safety in 1972).

w. [redacted] $300. - Transportation & Natural Resources

x. [redacted] $200. - " " " "

y. [redacted] $1,000 - Transportation

b6 per USDOT
b7C

z. [redacted] $300. - Liquor

aa. [redacted] $300. - "

bb. [redacted] $200. - Chamber of Commerce

cc. Midwest Appraisal, $500. - Transportation & Natural Resources

dd. [redacted] $200. - " " " "

ee. [redacted] $300. - " " " "

ff. Office Enterprises Ltd. - $1,000. Lessee from SERS.

gg. E. S. Preston & Associates -$2,000. - Transportation

hh. [redacted] $250. - "

ii. W. E. Quicksall & Assoc. -$1,000. "

jj. [redacted] - $1,000. "

kk. [redacted] $200. - Liquor (trucking)

ll. Simpson & Mastriani, $1,000. - Transportation (contracts)

95-189353 Q13 NV

mm. [redacted] $2,000. - Transportation (Contracts)

nn. $1,000. - " "

oo. 200. - " "

pp. Village Beverage 200. - Liquor

qq. [redacted] 200. - Transportation (Employee)

rr. 350. - "

ss. $1,200. "

It should be determined who solicited the money. If they had to pay to get state business and if the funds were the personal funds of contributors or paid by them for other persons.

12. The following doctors are contributors. Are the funds given in order to get business from the state? Who solicited the funds? Must they pay to get state business? Are the funds contributed those of the contributor or of others?

a. [redacted] $200.

b. 200.

c. $1,300

d. $200.

e. $200.

f. $1,100.

g. $103.

h. $1,100.

i. $1,100

b6 per USDOT
b7C

13. [redacted] is employed in the Regulating and Licensing Boards. He contributed $1,000. Whose money is this? Did he collect it from other employees? If so why aren't they listed" Is he hiding the names of the contributors?

14. It is believed [redacted] Dept. of Commerce, collected $1,000. from ticket sales and it is not reported anywhere. Also several

95-189353 014 NV

b6 per USDOT
b7C

Department of Commerce employees paid $100. for tickets and they are not listed. [redacted] Supervisor of Credit Unions refused to solicit for $100. tickets from Credit Unions even though ordered to do so by [redacted] Dept. Division of Commerce. [redacted] was ordering [redacted] to solicit from agencies he had regulatory powers over and this is illegal.

15. [redacted] contributed $1,000. and lists himself as "stockbroker". He is in reality a supplier of materials to the Transportation Dept. Was the contribution for state contracts? Who solicited it? Was it his own money? Would he lose contracts if he didn/t pay?

16. [redacted] contributed $2,000. He is manager of Task Force Employment Agency, which got $81,662. for parttime help furnished the Dept. of Highway Safety in 1972. In July 1973 he got 10,153 for the same thing. Was the contribution required to get state business? Had Brett contributed in the past? Was the money his own contribution or a collection from others? Other private employment agencies have had contracts. It should be checked to see if they had to contribute. This is extortion.

17. [redacted] contributed $1,000. He is affiliated with Accelleration Corp. Was this his money? Had he contributed before? Did Accelleration do any business with the Division of Securities?

18. [redacted] and [redacted] gave $1,000. and $200. respectively Was this their money? Did they contribute to get state business? Who took their contributions? Who solicited them? Did they contribute before? Were they told to contribute in order to get the contracts?

19. Patrick Service Station contributed $447.00. Whom money? Are individual contributors hidden? What was the money for?

20. [redacted] contributed $1,000. He is a concessionaire for the state fair. Was the money to do business? Were the funds his? Did he have to pay to get the contract?

95-189353 Q15 NV

b6 per USDOT
b7C

21. [redacted] contributed $2,000.00. He is building and leasing to state departments! Is his contribution to permit him to get contracts? Is it his money? Who solicited the contributions?

22. [redacted] contributed $1,000; [redacted] contributed $700.00. Both are blacktop dealers with state contracts. Did they pay to get the contracts? WAs it their own money? Who solicited them? Would they have gotten the contracts without contributing?

23. [redacted] contributed $1,000.00. He got a securities violation suit dismissed after the Gilligan's came in. He has been appointed to a $2,000. a year job on the State Lake Lands Adm. Was his contribution for favors? Who solicited it? Was it his money?

These are only a few of many contributors. All are either doing business with the state or employees. Irregular reporting of occupations, addresses, etc. are constant throughout the report. The questions raised in paragraph two herein apply equally to all.

U.S. POSTAL SERVICE
DEC 8
P PM
1973

Hon. Norbert T. Tiemann, Administrator
Federal Highway Administration
Nassif Building
400 7th Street SW
Washington, D. C. 20591

PERSONAL AND CONFIDENTIAL

95-189353 Q7 NV

EXP

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, D.C. 20590

DEC 5 1973

IN REPLY REFER TO:
HPR-20

Re Possible fraud in Ohio Federal-aid highway program
Typewriter Exam

Honorable Clarence M. Kelley
Director, Federal Bureau of Investigation
Washington, D.C. 20535

Attention: FBI Laboratory--Document Examination Section

731207071

Dear Mr. Kelley:

This office is initiating an investigation concerning possible fraud and related violations in regard to the Federal-aid highway program in the State of Ohio.

In connection with our investigation we have received the following documents from an anonymous correspondent:

Q1 1. Undated letter headed DEPARTMENT OF TRANSPORTATION.

Q2 2. Undated letter beginning "George Steinbrenner gave Gov Gilligan. . ."

Q3 3. Undated letter beginning "The biggest racket. . ."

Q4 4. Large brown manila envelope postmarked November 3, 1973.

Q5 5. White envelope postmarked November 18, 1973.

Q6 6. White envelope postmarked November 20, 1973.

It is respectfully requested that an examination be made of Exhibits 1 and 2 to determine if the letters were prepared on the same typewriter.

It is also requested that letter Exhibit 3 be compared to envelope Exhibits 4, 5 and 6 to ascertain if the same typewriter prepared the letter and the envelopes.

This office has a positive interest in identifying the anonymous correspondent in this matter. Therefore, we would appreciate any information available to assist us in identifying: (a.) The typewriter used to type the Exhibits and (b.) the paper and envelopes used by the correspondent, particularly the

"ENCLOSURE ATTACHED"

EXP PROC. DEC 6 1973 #31

COPY AND SPECIMENS RETAINED IN LAB

REC-54 MCT-36

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12-12

4 DEC 6 1973

EX-112

ENCLOSURE

photographed

SEVEN

name of any supplier in the Columbus, Ohio, area, as we have determined the number 430 in each postmark indicates the letters passed through the U.S. Postal Service Distribution Center in Columbus.

Please be assured this office is grateful for your cooperation in this matter.

Sincerely yours,

G.O. Sevini for

W. C. Thornton
Director of Program Review
and Investigations

6 Enclosures

DEPARTMENT OF TRANSPORATION

The most corrupt Highway or Transportation department in the United States has got to be the present one in Ohio. They have an in depth collection system by state employees on state time.

They "strong arm" all state and Federal employees with the threat of loss of position, loss of promotion opportunities, or transfer, if they fail to contribute, State employees are forced to contribute in order to get positions, to keep them or to get higher positions, all in violation of Civil Service laws. This is extortion. Part of the funds paying these employees comes from federal funds, which makes this practice even more corrupt.

The chief collector in the Transportation Department is John J. Fallon, carried on the payroll as Assistant to the Director for Administrative Affairs. (all state departments have a similar collector whose sole duty at state expense is to collect money for Gilligan).

The administration is so brazen about this practice that they have even put this list in convenient form so that all departments are aware of who the collectors are in other departments.

There is reason to believe that not all the money reaches any political fund, and that some of it is being kept by the collectors or higher ups. However, it is not being reported for tax purposes. This increases the net worth of these individuals and shows up also in household furnishings, automobiles and other increases in living standards, etc.

The funds are being solicited from employees under both state and federal Civil Service, which is a violation of the law.

There has never been such apush for money in the history of Ohio. If you check some of the employees you will find the system is working. This is the Gilligan system.

Fallon has his assistants in each division who also collect money and their names and the amounts they collect and from whom should be disclosed. They sell tickets and collect aash. They take very few checks, except from trusted contributors. The cash sometimes does not reach its fund, but is directed to the personal use of the collector or higher up, Jack Fallon or Dr. Sirak.

In the Transportationn Department, there are different collectors for various levels and locations. These are shown circled in red on "A" attached. The attached directory "B" further shows known collectors at lower levels. These names are also circled in red.

The chief money man in the Gilligan administration is Dr. Howard Sirak, Fallon gives the big cash to Sirak. Whatever he collects, Gilligan controls. Sirak handles all large contributions. Much of this money is hidden for private use and the money and expenses are not reported. Sirak works with Fallon in the Transportation Department.

There is a statewide system of collectors in the Transportation Department, as pointed out before, and it applies to all contractors, consultants, appraisers,suppliers, and any and all other individuals or companies who want state business.(see Exhibit "C"). It makes no difference that federal funds are involved. They must contribute to And the collectors don't accept checks--cash with no receipts is the procedure

D-731207071 01 NV

Suppliers are told to raise their bids 3% as that must come off the top for the Gilligan officials. See example of "D" attached. To make matters worse, the contractor, appraiser, consultant or supplier is hit from several levels, state, district and county highway employees, who are collectors. Everyone along the way has his hand in the pocket of the appraiser, supplier, contractor of consultant, The money is always cash, except for din ner tickets. Contractors, appraisers, consultants and suppliers, outside of state employees, are the bulk of the contributors to fund raising ticket events as can be seen from the Democrat committee report filed September 10, 1973, with the Secretary of State. Many of these people deal with the Transportation Department. They are told if they dom't buy tickets, they don't get state business. The report indicates that Gilligan owns lock, stock and barrel the Ohio Democrat Headquarters, and that for the first eight months of 1973 alone $817,690.22 was strong armed into Democrat Campaign Funds from employees and people doing business with the State. This report also is a "cover up" to deceive the unknowledgeable reader. For instance, [redacted] is listed as a "stockbroker". In reality he sells road supplies to the Transportation Department through the firm of Baldwin-Sours.

Some of the collectors and their associates have received expensive gifts from people doing business with the State. This is income for services rendered, but goes unreported.

Not all the money goes into the political funds.

b6 per USDOT
b7C

These practices should be investigated.

On attached list "E" shows Prequalified Contractors. Those marked

D-731207071 QI NV

with a red dot are the ones who get state business and who have had to contribute to Gilligan to get it. It is believed that much of the cash collected is not turned over to Gilligan and never reported. A complete audit of such areas will reveal this.

Another way to extort additional funds from suppliers of materials to the Transportation Department has been devised. Purchasing is now done in the districts under the Division Engineer. Purchase Orders are still issued from the Central Office, but the District makes them up and sends them in for recommendation, so both levels get their hands in the pocket of the businessman before he gets any business.

Director Richley of the Transportation Department gets payoffs from two main sourses--two consulting engineering firms. They are E. S. Preston of Columbus, Ohio, and Dalton, Dalton and Little of Cleveland, Ohio. These contracts provide for no bids. It is a straight percentage deal of the amount of business they get. Some of it is kickback from federal funds. E. S. Preston has a racket at the Transportation Center on Route 33 north of Marysville, Ohio.

The surveys being run by Dalton, Dalton and Little are costing the state twice as much as they should.

Richley has received financial help from [redacted] of Youngstown, Ohio. Richley wants to run for public office and he is accepting cash on his own.

A newspaper article, attached as "F", in the Columbus Dispatch on Sept. 30, 1973, really pointed up the whole area of kickbacks, contribution corruption, and cronyism. Another article, attached as "G", shows the extent of such corruption in the Department of Transportation and other areas.

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D-731207071 OI NV

There are 14,000 employees in the Transportation Department expected to average contributions of $100.00 each per year.

D-7312070

George Steinbrenner gave Gov Gilligan $25,000. in cash. No taxes were paid. Steinbrenner's American Shipbuilding Co. has a jet at Executive Jet at Port Columbus at Gilligan's disposal for political and personal meetings all over the U.S. Executive Jet bills American Shipbuilding for Gilligan's use. This is fraud. It is income tax evasion by Gilligan.

Henry Eckert, assistant Supt of Insurance for Ohio, is on Steinbrenner's payroll. He handles Steinbrenner's Marine Insurance. He keeps the premiums down by a political arm.

Gilligan and Dr. Sirak can be made to tell whom they receive money from. How much? What for?

Here is a list of other people who operated like Steinbrenner. This money was collected and no taxes paid. The corporations paid phoney expense accounts, bonuses, or rigged dividends. These people gave cash to Gilligan and Sirak in 1970-71-72 and 73. They paid no taxes.

Steinbrenner, American Shipbuilding, Cleveland	$25,000.
[redacted] builder, Cleveland	$15,000.
Dalton, Dalton, Little Consulting Engr, Cleveland	$50,000.
[redacted] owns 3 race tracks, Cleveland Shopping Center Developer (This money can be skimmed from the unclaimed tickets at the track)	$150,000.

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[redacted]
Highway Consultant Engineer
Columbus, 5% to 10% to Richley
or Jack Fallon

$25,000

[redacted]
Oil Lobbist, Columbus,
Collected from Oil Companies

$10,000

[redacted] Consulting
Engineer, Columbus,
5% to Jack Fallon

$10,000

[redacted] Columbus,
Renter, Does business
with the State

$ 5,000

[redacted]
Columbus Highway Supplier

$ 5,000

[redacted]
Consulting Engineer, Columbus
5% each month to Jack Fallon

$25,000

Gurin, Ginsburg, Merritt.
Cleveland lawyer. Put an office
in Columbus for payoff in legal
fees.

b6 per USDOT
b7C

$100,000

[redacted]
Contractors, Columbus

$17,000

[redacted] Columbus Builder
Collected rent from the state of
Ohio since Gilligan took office.
$1,300,000 each year. Pays 25 to
50¢ per sq.ft. to [redacted]
Columbus lawyer or to Dr. Sirak or
Meeker. He makes heavy contributions
in cash.

$25,000

Continental Office Supply
1070 Morse Rd.
They had a verbal contract from
Gilligan and Sirak to supply all
office furniture to the State of
Ohio. Especially the new State
Office Building. The Department
of Purchase will bear this out.
Ohio has purchased $3,000,000
worth of new and used furniture
from Continental.

$100,000

The biggest racket going on in Ohio is in the Transportation Department, and is the oldest game of all. That game is "Kiting" federal highway funds. The highway department is charging work to the Federal Government that the Federal Government is not responsible for. The federal funds thus secured are paying for projects in the state, counties and cities in which the federal highway programs are not supposed to participate. On some of the 50% - 50% participation projects of federal-state construction, the preliminary work is charged to 70% - 30% projects or 90% - 10% projects, and thus the Federal Bureau of Roads is being defrauded of federal funds.

We in the Department know these are illegal transactions, but we do not want to get fired. They swear us to secrecy. We know of the shakedown of contractors, suppliers, consultants, etc. going on under your noses with nothing happening to stop it. You had better move in before there is a taxpayer's suit in Federal Court to protect the federal funds. Then you face will be red. The suit may be filed July 1, 1974.

Since it is common knowledge that the State Transportation Dept. is illegally "Kiting" federal funds the department is starting a secret investigation of its own this week. This is for a cover up and to make some person a fall guy. The Highway people in Ohio do not want the Federal Highway funds looked at too closely yet. They want to get their house in order.

For example, the Columbus Olentangy Freeway Federal-State project is paying for State Route 161 repairs etc.

In Cleveland presently the state is negotiating to purchase 13 acres from the City on the I-90 project west in Westlake. This is part of the City's filtration plant. The 13 acres does not disturb the filtration plant. The 13 acres is appraised at $260,000. This could be high. The state is also going to purchase from friends 16 acres from Rock-West Developing Co. for the price of

$820,000 and turn the 16 acres over to the city. The city of Cleveland will never build on this. The property will be sold later. The state is thus defrauding $560,000 of Federal matching funds on I-90.

Who is making the deal?

Who really owns the property?

Who gets the kickback?

In the highway districts of Cleveland, Youngstown, Toledo, Cincinnati, Akron, Canton, Columbus, Dayton etc. there is a payoff or kickback on every transaction.

Property owners are told by the highway people what lawyers to employ. The lawyers kickback. Everyone kicksback. In some cases the highway dept. employs the same lawyers to represent the state. Every right-of-way purchase has a handle on it. Property in the right-of-way area is a racket.

In the Steubenville area they ransack the property and sell the fixtures inside the houses, when right-of-way land is acquired. This goes on other places. Part of the purchase price is federal funds. Some state employees make $50,000 a year selling fixtures and house parts.

In the U.S.30 Southern By-pass at Akron, illegal and irregular payments are being charged to federally funded projects.

In Cincinnati (Across Town Highway) highway federal funds are finding their way into poverty programs. This is fraud and it goes on in other cities too. The Toledo Eastern By-Pass is a target too, for illegal use of federal highway funds.

b6 per USDOT
b7C

In Youngstown, [redacted] was Gilligan's largest contributor. He owns Richley, Transportation Director. Every project should be looked into in the Youngstown area. This is Richley's back yard. Anything and everything goes for payoffs. Attorney Flask there is a relative of Richley. Watch Richley's relatives. Their hands are long and sticky.

D 731207071 Q3 NV

All of the limited accesses where there are interchanges on interstate routes are being surrounded by commercial or shopping centers placed there. These developers all give payoffs. Local and state officials and developers are all involved. They are relocating people. They get kickbacks from real estate people. You can get a list by the requests they make to the Federal Bureau of Roads.

Ohio Highway people let persons live in houses that have been taken by the state for State-Federal projects. They pay no rent, but kickback to the state highway personnel. They pay no taxes.

Payoffs are not always at the top. It's all up and down and has to be the worst kickback-payoff-fraud committing highway department in the nation.

Most of this extortion activity comes from new people employed in the last three years under Gilligan. They believe that money must pass hands to do business politically. The professional staff is mostly honest. But the new top dogs are just plain-thieves.

The only way to root this out is to put in a large investigating force and talk to some of the professionals or old timers at home. They will unload the truth. They hate this corrupt procedure.

Richley is owned by [redacted] is supposed to have given Gilligan and Sirak in person, $150,000 in cash, which has never been reported. [redacted] named Richley as Director. In Clermont County, Richley wants to spend state funds for a shopping center for DeBartolo. Federal funds will find their way into this.

Check where shopping centers or Commercial buildings have been placed by cutting in limited access. In this last year the highway agency is preparing to cut into the limited access for shopping centers and commercial building. This is strictly a payoff. The big payoff will be handled before they leave office next year, if somebody doesn't do something about it to stop it.

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Contractors have no choice. Every purchaser, supplier, contractor, consultant, office equipment company, you name it— the hungry extortionist, is busy at work. To date they have been untouched.

We good employees cannot stand it much longer. You should investigate and talk to the people doing business with the state.

All things considered, the present Gilligan Administration has collected over $6 million in the past three years through just highway kickbacks. No taxes are paid on any of this. Without a doubt the Gilligan administration has more tax dodgers than all the rest of the State of Ohio. They are wealthy with hidden payoffs.

There is open fraud. The state is not getting all the materials it is buying.

State employees being paid in part with federal funds are being shaken down. There is out in the open shake-down of state employees on State-Federal projects by other state workers. They have over one hundred state employees collecting from state workers or people doing business with the state, and on state time.

Somebody better do something now before they cover up the fraud and bury the graft!

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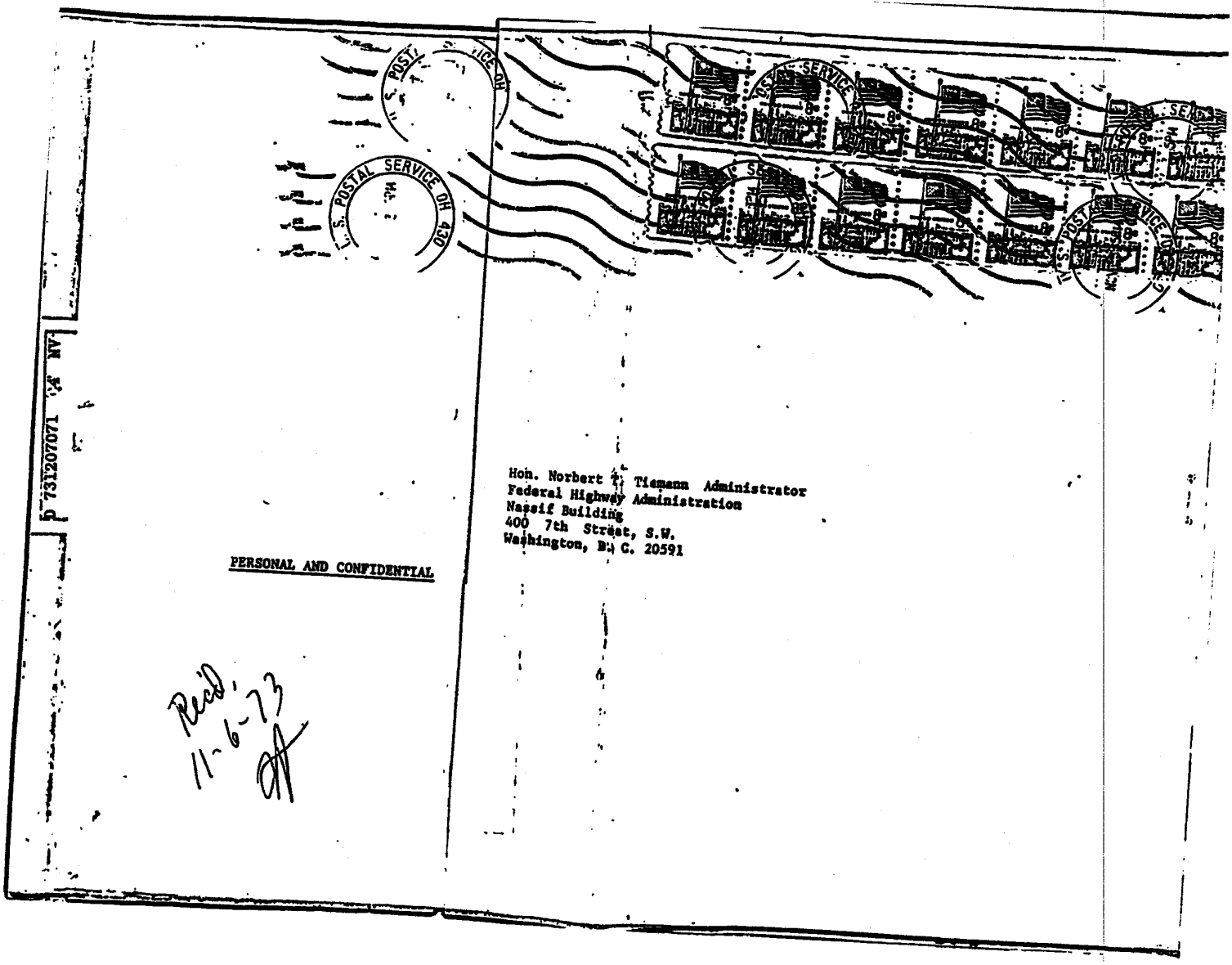

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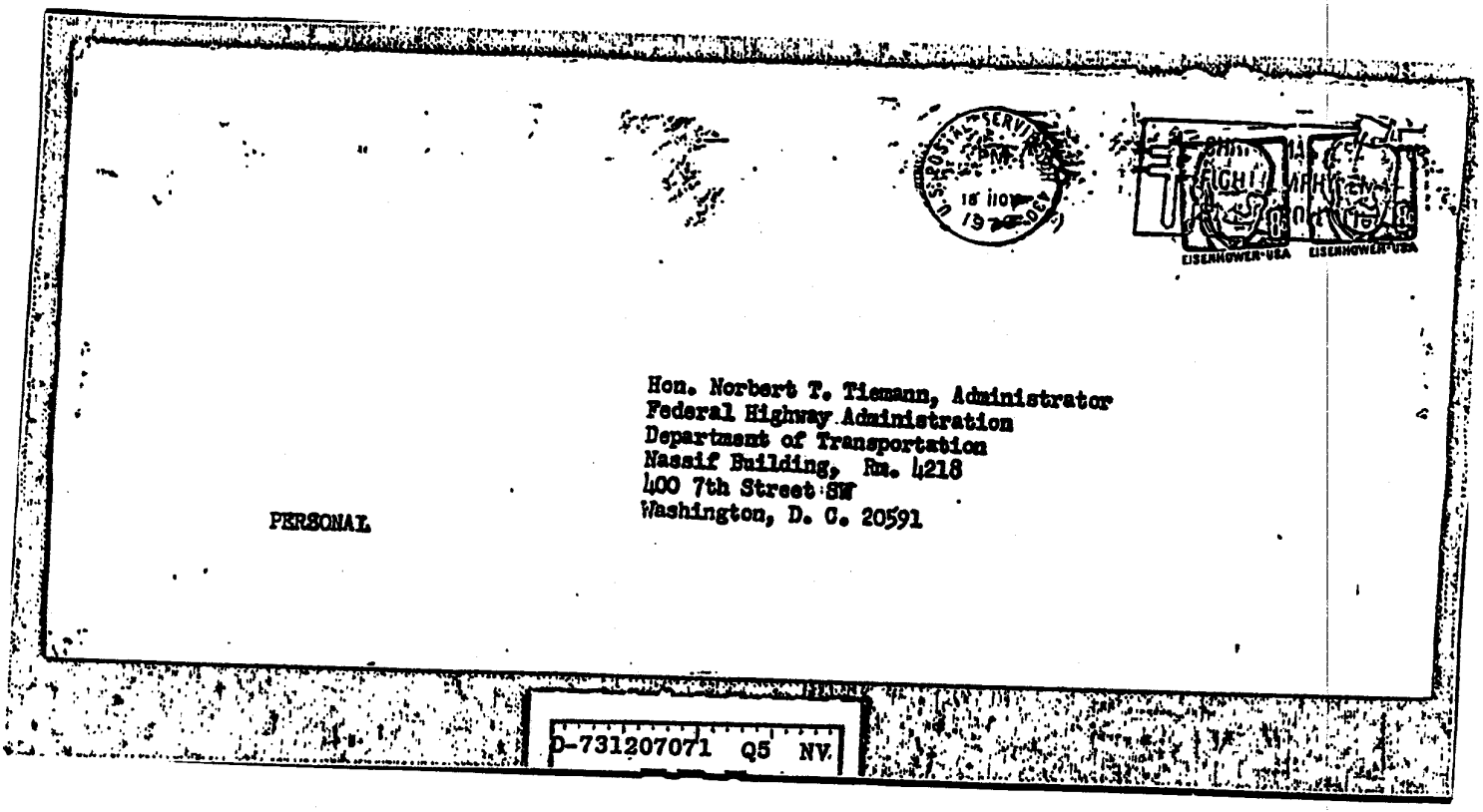

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