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001. report	[Personally Identifiable Information] [partial] (6 pages)	08/18/1981	b(6)

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2019-0774-S

rs3387

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

More IG Doc's.

| rec id 315197. |



MAR 5 1997

Mr. Scott Giles
Senate Committee on Labor
and Human Resources
United States Senate
Washington, D.C. 20510-6300.

Dear Mr. Giles:

As part of our continuing response to Chairman Jeffords' December 17, 1996, request for records and information related to Alexis Herman, we are providing the Committee with two sets of some additional documents. This release of additional material is being made after consultation with the United States Attorney for the District of Columbia. These materials were previously withheld from the four "investigative files" provided to the Committee on January 17, 1997.

Please feel free to contact Helen Mollick of my staff at 219-4930 if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Sylvia Horowitz", is written over the typed name.

Sylvia T. Horowitz
Assistant Inspector General for
Management and Counsel

Enclosures

cc: Mark Childress ✓

Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental		City/State of Investigation Washington, D.C.		DOL Program ETA	
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ALEXIS HERMAN ETA contracts)		Date of Report October 8, 1981 (REVISED)		Case Number 30-0578-0002	
		Reviewers' Initials MS [Signature]			
Special Agent MARTIN SQUITIERI		Date Reviewed 12/3/81 12/4/81			
		Regional Office Arlington Field Office, PA Region			

1) This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. This case has been given my personal attention with the assistance of Special Agents JOAN NUGENT, ERNIE RAPETTI, PHIL WALKER, WHITNEY ADAMS and ELAINE TRUMBLE from March 20, 1981 through the present.

2) The purpose of this report is to provide WILLIAM ZLEIT a synopsis of the activity in the case is as follows:

3) A review of all ETA contracts awarded from January 1, 1978 through March 24, 1981 was completed. The review provided a universe of forty five (45) suspect contractors involving approximately one hundred sixty (160) contracts totalling approximately three (3) billion dollars. The universe was comprised of twenty six (26) minority 8A contractors and nineteen (19) other companies located throughout the country. The 8A contractors were selected for review based on testimony that GODWIN assumed all control over the procurement process for 8A contractors. The remaining contractors were selected based on various allegations made by several ETA employees.

4) The initial thrust of the investigation was to gather as much data as possible relative to the contractors and subjects. This objective was accomplished by the use of mail covers, Federal Election Commission (FEC) printouts, FTS toll call printouts, personal toll call printouts, SBA file reviews and ETA file reviews. The ETA file reviews also reflected any diversions from the normal procurement process.

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6) Interviews were conducted at the NATIONAL COUNCIL OF NEGRO WOMEN (NCNW) and they revealed that a \$2,000 payment was made for a CETA training seminar organized by GREEN, HERMAN & ASSOCIATES. The testimony produced no evidence that the \$2,000 payment was related to GREEN or HERMAN's participation in awarding contracts to NCNW while they held positions at DOL.

7) Other leads are outstanding in Minnesota, Cleveland and New York.

8) It should be noted that the Senate Investigators are concentrating on whether a conflict of interest existed between contracts of GREEN, HERMAN & ASSOCIATES and contracts awarded by GREEN and/or HERMAN while they were employed at DOL. Due to the early date for the subpoena service, the investigative file does not contain information relative to the corporation past May 6, 1981. The Senate Investigators are investigating the activities of GREEN, HERMAN & ASSOCIATES through approximately August 1981. Pursuant to a conversation with A. M. STATHAM on October 6, 1981, consideration should be given to serving a new subpoena on GREEN, HERMAN & ASSOCIATES in order to coincide with the Senate investigation.

10) Specific transit item checks are being reviewed and follow-up record checks and interviews have been assigned.

11) On August 18, 1981 GREEN stated that certain "loans" have not been paid but he makes interest payments on an annual basis to MITCHELL. GREEN stated that the payments were made from his personal checking account at the AMALGAMATED BANK OF NEW YORK.

12) GREEN stated that promissory notes do exist for each of the "loans" and that he would make them available, however, none have yet been submitted.

13) AUSA DAVE STANLEY is attempting to get an Ex Parte Order for the release of GREEN's and MITCHELL's federal income tax returns from IRS to determine if either of them reported interest income or deducted interest paid.

14) DOL records show MITCHELL, TITUS & CO. is a member of the GARRETT, SULLIVAN & CO., CPA consortium comprised of GARRETT, SULLIVAN & CO.; MITCHELL, TITUS & CO.; ASHBY & CO. and WATSON, RICE & CO., GARRETT, SULLIVAN & CO., was awarded in excess of \$8 million dollars in contracts while GREEN was Assistant Secretary.

15) MITCHELL, TITUS & CO., was awarded an \$80,000 contract in September 1980.

17) The ETA contract fed rep files and other files have been secured and an in depth review is being conducted.

A handwritten signature in cursive script, reading "Martin Squitieri".

MARTIN SQUITIERI
Special Agent

Type of Report		City/State of Investigation		DOL Program	
☒ Preliminary	☐ Final	Washington, D.C.		ETA	
☐ Special	☐ Supplemental	Date of Report		Case Number	
(Amended Report)		October 21, 1981		30-0578-0002	
Subject		Reviewers' Initials			
ERNEST GREEN (Alleged improprieties		MS		fwr	
LAMOND GODWIN in the awarding of		Date Reviewed			
ALEXIS HERMAN ETA contracts)		12/3/81		12/4/81	
Special Agent		Regional Office			
MARTIN SQUITIERI		Arlington Field Office, PA Region			

1) This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of Nation Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

2) Upon a review of my interview notes and the GREEN and HERMAN Report of Interview conducted on 8/18/81 this is to amend item #3 contained in OIG Form 104 submitted on September 1, 1981 as follows:

3) GREEN explained the deposits to his personal checking account listed below as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
1/24/80	\$10,000	Loan - Bert Mitchell
10/05/77	10,000	Loan - J. Ross Campbell

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4) GREEN and HERMAN explained the deposits to the checking account of GREEN, HERMAN & ASSOCIATES listed below as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
1/27/81	\$2500	Loan - Mitchell, Titus & Co.
3/01/81	25,000	Loan - Robert Gilmore

5) HERMAN explained that she received a \$10,000 loan from JOHN BUSTOMANTE in March 1981 which she invested into GREEN, HERMAN & ASSOCIATES. She stated that BUSTOMANTE's loan to her was drawn on the account of TAWASA INVESTMENT CORPORATION, Cleveland, Ohio. She stated that BUSTOMANTE has been repaid with interest.

6) GREEN and HERMAN stated that GILMORE and BUSTOMANTE are personal friends and are not DOL contractors.



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental		City/State of Investigation Washington DC		DOL Program LIA	
Date of Report 10-16-81		Case Number 30-0578-0002			
Subject ERNEST GREEN (alleged improprieties LAMOND GODWIN in the awarding of ALEXIS HERMAN ETA contracts)		Reviewers' Initials P-		Date Reviewed 11/9/81	
Special Agent HARTIN SOUTHERN		Regional Office Philadelphia Region			

1. This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. It is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interests in some of the companies to whom contracts were awarded, that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN WOOTEN from March 1981 to the present.

2. The purpose of this report is to update the investigation to date for WILLIAM ABELL who will assume management of pursuant to instructions from A. J. S. until indictment in a future memorandum on final report (if no indictment or if indictment results) at this reports will be prepared by T. L. for case number 30-0578-0002.

3. A review of all ETA contracts awarded from January 1, 1974 through March 25, 1981 was completed. The review provided a universe of 1,000 contracts totaling approximately three (3) billion dollars. The universe was comprised of twenty six (26) minority contractors and 1,000 contractors. The remaining contractors were selected based on various allegations made by several ETA employees.

4. The initial thrust of the investigation was to gather as much data as possible relative to the contractors and subjects. This objective was accomplished by the use of mail covers, federal election commission (FEC) printouts, ETA toll call printouts, personal toll call printouts, SIA file review and file reviews. The LIA file reviews also reflect any diversions in the normal procurement process.

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CAUTION: THIS REPORT
CONTAINS SECRET GRAND
JURY INFORMATION -
RULE 6(e).

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<u>Date</u>	<u>Amount</u>	<u>Source</u>
1/27/81	\$2,500.00	Loan - Mitchell, Titus & Co,
2/9/81	\$10,000.00	Loan - John Bustomante
2/7/81	\$2,000.00	National Council of Negro Women
3/4/81	\$25,000.00	Loan - Robert Gilmore
4/14/81	\$12,500.00	Media System Inc.
3/13/81	\$12,500.00	Mel Harris & Associates
4/17/81	\$12,500.00	Mel Harris & Associates

6) Third party interviews were conducted relative to the \$2,000 receipt from NATIONAL COUNCIL OF NEGRO WOMEN (NCNW) and they revealed that the payment was made for a CETA training seminar organized by GREEN, HERMAN & ASSOCIATES. The testimony produced no evidence that the \$2,000 payment was related to GREEN or HERMAN's participation in awarding contracts to NCNW while they held positions at DOL.

7) The receipt of funds from MEDIA SYSTEMS INC., MITCHELL TITUS & Co, and ROBERT GILMORE are presently being investigated by the New York RIO (ERNEST REPETTI) since the individuals and firms are located within that Region. The receipt of funds from MEL HARRIS & ASSOCIATES and JOHN BUSTOMANTE is presently being investigated by the Chicago RIO (WHITNEY ADAMS).

8) It should be noted that the Senate Investigators are concentrating on whether a conflict of interest existed between contracts of GREEN, HERMAN & ASSOCIATES and contracts awarded by GREEN and/or HERMAN while they were employed at DOL. Due to the early date of the subpoena service, the investigative file does not contain information relative to the corporation past May 6, 1981. The Senate Investigators are investigating the activities of GREEN, HERMAN & ASSOCIATES through approximately August 1981. Pursuant to a conversation with A. M. STATHAM on October 6, 1981, consideration should be given to serving a new subpoena on GREEN, HERMAN & ASSOCIATES in order to coincide with the Senate investigation.

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- 10) The major area of concern regarding the bank records are the two (2) unidentified "loans" made to GREEN by BERT N. MITCHELL. The "loans" were made on November 13, 1979 and September 2, 1980 for \$10,000 and \$6,000, respectively, and were deposited in GREEN's personal checking account maintained at UNITED NATIONAL BANK OF WASHINGTON. GREEN stated that he borrowed an additional \$10,000 from MITCHELL on January 24, 1980 which was deposited in his personal checking account at NATIONAL BANK OF WASHINGTON. The latter "loan" has yet to be identified.
- 11) MITCHELL, TITUS & CO., made a loan of \$2500 to GREEN, HERMAN & ASSOCIATES on January 27, 1981. MITCHELL is the managing partner of MITCHELL, TITUS & Co.
- 12) GREEN stated that the "loans" have not been paid but he makes interest payments on an annual basis to MITCHELL. GREEN stated that the payments were made from his personal checking account at the AMALGAMATED BANK OF NEW YORK. The cancelled checks have not been received from AMALGAMATED as of the date of this report. A review of the bank statements submitted by AMALGAMATED indicates very small balances and small checks written against that account.
- 13) GREEN stated that promissory notes do exist for each of the "loans" and that he would make them available, however, none have been submitted.
- 14) A review of financial statements relative to GREEN and MITCHELL, indicating a date later than the first "loan" reflects no mention of a note receivable on MITCHELL's behalf nor does it reflect a note payable on GREEN's behalf. The financial statement relative to GREEN was submitted to a financial institution for a bank loan and the statement relative to MITCHELL was submitted to SBA for 8A certification.
- 15) AUSA DAVE STANLEY is attempting to get an Ex Parte Order for the release of GREEN's and MITCHELL's federal income tax returns from IRS to determine if either of them reported interest income or deducted interest paid.
- 16) MITCHELL, TITUS & Co. is a member of the GARRETT, SULLIVAN & Co., CPA consortium comprised of GARRETT, SULLIVAN & Co.; MITCHELL, TITUS & Co.; ASHBY & Co. and WATSON, RICE & Co. GARRETT, SULLIVAN & Co., was awarded in excess of \$8 million dollars in contracts while GREEN was Assistant Secretary.
- 17) MITCHELL, TITUS & Co., was awarded an \$80,000 contract in September 1980.

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19) The ETA contract and fed rep files have been secured and an in depth review of the files has been completed.

20) Recent developments in the case indicates that GODWIN received a \$1,000 loan from E. H. WHITE & Co., on March 2, 1981 which was deposited into his personal checking account at NATIONAL BANK OF WASHINGTON. WHITE is an 8A contractor who received contracts through ETA while GODWIN was employed at DOL. Nothing has been done in this regard with the exception of requesting the assignment of WAYNE PADGETT in the San Francisco RIO to assist in the development of this new finding.

Martin Squitieri
Martin Squitieri
Special Agent

cc: William Zleit

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1) This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. This case has been given my personal attention with the assistance of Special Agents JOAN NUGENT, ERNIE RAPELLI, PHIL WALKER, WHITNEY ADAMS and ELAINE TRUMBLE from March 20, 1981 through the present.

2) The purpose of this report is to provide WILLIAM ZLEIT a synopsis of the activity in the case is as follows:

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3) A review of all ETA contracts awarded from January 1, 1978 through March 24, 1981 was completed. The review provided a universe of forty-five (45) suspect contractors involving approximately one-hundred-sixty (160) contracts totalling approximately three (3) billion dollars. The universe was comprised of twenty-six (26) minority 8A contractors and nineteen (19) other companies located throughout the country. The 8A contractors were selected for review based on testimony that GODWIN assumed all control over the procurement process for 8A contractors. The remaining contractors were selected based on various allegations made by several ETA employees.

4) The initial thrust of the investigation was to gather as much data as possible relative to the contractors and subjects. This objective was accomplished by the use of mail covers, Federal Election Commission (FEC) printouts, FTS toll call printouts, personal toll call printouts, SBA file reviews and ETA file reviews. The ETA file reviews also reflected any diversions from the normal procurement process.

6) Interviews were conducted at the NATIONAL COUNCIL OF NEGRO WOMEN (NCNW) and they revealed that a \$2,000 payment was made for a CETA training seminar organized by GREEN, HERMAN & ASSOCIATES. The testimony produced no evidence that the \$2,000 payment was related to GREEN or HERMAN's participation in awarding contracts to NCNW while they held positions at DOL.

7) Other leads are outstanding in Minnesota, Cleveland and New York.

8) It should be noted that the Senate Investigators are concentrating on whether a conflict of interest existed between contracts of GREEN, HERMAN & ASSOCIATES and contracts awarded by GREEN and/or HERMAN while they were employed at DOL. Due to the early date for the subpoena service, the investigative file does not contain information relative to the corporation past May 6, 1981. The Senate Investigators are investigating the activities of GREEN, HERMAN & ASSOCIATES through approximately August 1981. Pursuant to a conversation with A. M. STATHAM on October 6, 1981, consideration should be given to serving a new subpoena on GREEN, HERMAN & ASSOCIATES in order to coincide with the Senate investigation.

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10) Specific transit item checks are being reviewed and follow-up record checks and interviews have been assigned.

11) On August 18, 1981 GREEN stated that certain "loans" have not been paid but he makes interest payments on an annual basis to MITCHELL. GREEN stated that the payments were made from his personal checking account at the AMALGAMATED BANK OF NEW YORK.

12) GREEN stated that promissory notes do exist for each of the "loans" and that he would make them available, however, none have yet been submitted.

13) AUSA DAVE STANLEY is attempting to get an Ex Parte Order for the release of GREEN's and MITCHELL's federal income tax returns from IRS to determine if either of them reported interest income or deducted interest paid.

14) DOL records show MITCHELL, TITUS & CO. is a member of the GARRETT, SULLIVAN & CO., CPA consortium comprised of GARRETT, SULLIVAN & CO.; MITCHELL, TITUS & CO.; ASHBY & CO. and WATSON, RICE & CO., GARRETT, SULLIVAN & CO., was awarded in excess of \$8 million dollars in contracts while GREEN was Assistant Secretary.

15) MITCHELL, TITUS & CO., was awarded an \$80,000 contract in September 1980.

17) The ETA contract fed rep files and other files have been secured and an in depth review is being conducted.

MARTIN SQUITIERI
Special Agent

Type of Report ☐ Preliminary ☒ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, DC Date of Report 2-22-82	DOL Program ETA Case Number 30-0578-0002	
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ALEXIS HERMAN ETA contracts)	Reviewers' Initials WEJ Date Reviewed 2-22-82		
Special Agent William E. Zleit, RSAC, KC RIO	Regional Office Kansas City, MO		

1. This case was initially opened in March 1981 primarily as a result of information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, LAMOND GODWIN, the former Director of the Office of National Program and ALEXIS HERMAN, former Director of the Women's Bureau, made contract awards without sufficient documentation to substantiate the awards prior to their leaving the DOL on January 21, 1981. Within the first two months after National Office and Philadelphia RIO cases were opened, a number of additional allegations of administrative and criminal misconduct to include bribery, kickback and financial conflict of interest were received by OIG. This case has been given my personal attention and that of Inspector General THOMAS McERIDE, Assistant Inspector General A.M. STATHAM, Chief of Investigations MICHAEL TREWORGY, and Special Agents DAVID COFFMAN, DOMINIC KAYLOR, MARTIN SQUITIERI, ERNIE REPETTI, PHIL WALFER, WHITNEY ADAMS, JOHN HUHEEY, ELAINE TRIMBLE, WAYNE PADGETT, JOAN NUGENT, FRANK KILEY, ROBERT MCKEE, THOMAS NOLAN, GREG POULOS, and OIG Auditors KATHY TAGLIS and JAMES BURLEY during periods between September 1981 and the present. Reference is made to the final report of SA DAVID COFFMAN in OI-0524-0001 dated May 1981, and to the Special reports of SA MARTIN SQUITIERI dated 4-10-81, and the preliminary reports of MARTIN SQUITIERI dated 4/14/81, 5/1/81, 5/19/81, 6/1/81, 7/1/81, 8/3/81, 9/1/81 (amended by report dated 10-21-81) and 10-8-81 (revised 12/3/81) in the instant case.

2. On the afternoon of 2-10-82, PSAC WILLIAM E. ZLEIT and AIGI A.M. STATHAM discussed the results of the investigation with AUSA's David STANLEY and BISO of the District of Columbia USA's Office. At the conclusion of the conference, Mr. BISO and Mr. STANLEY advised they would confirm AUSA STANLEY's 2-10-82 declination to authorize prosecution of ERNEST GREEN and would additionally recommend against seeking a civil penalty against GREEN for knowingly and willfully failing to report information required to be reported by Section 202 of the Ethics of Government Act of 1980 on his 1981 Financial Disclosure Report. Attached is a copy of a letter from AUSA STANLEY dated 2-11-82 confirming that declination. Because the evidence was obtained by and developed through the Federal Grand Jury system, this report will contain no substantive detail. Rather a general summary of administrative/investigative activity during the past several months is hereafter set forth.

3. On 2-10-82 all Grand Jury records and documents obtained pursuant to subpoena during the course of the instant investigation were, at his direction, delivered to AUSA STANLEY. With AUSA STANLEY's specific concurrence, certain marked summary charts and analyzation schedules and listings of Grand Jury financial records were retained in the CI case files.

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A complete list of all CIC personnel having access to Grand Jury materials and assisting the AUSA in the performance of his duty to enforce the Federal Criminal Law was supplied AUSA STANLEY for his appropriate notification of the court pursuant to Rule 6, Federal Rules of Criminal Procedure (FRCP).

4. A review of the investigative case file in early October 1981 disclosed that among the materials contained therein were records obtained by Grand Jury subpoena,

Also contained in the case file were some DCI ETA contract lists and contracts and ETA and SEA contractor files; computer print-out listings of contributors to the Democratic Presidential Campaign; Spring 1981 Memoranda and Reports of Interview of some DOL-ETA employees; late summer 1981 ROI's of some ETA Fed Reps; a compilation of a number of miscellaneous allegations; and names and addresses obtained by use of a mail cover in the summer of 1981, investigative reports of special agents and so forth.

5. On or about October 8, 1981, supervision of the instant investigation was reassigned to SA William E. Zleit. In mid-October SA KAYLOR of the LA CI was assigned to assist SA ZLEIT in the further development of the investigation at the National Office and former case Agent SQUITERRI was assigned to continue working on the case. SA's REPETTI, New York CI Office, HUNLEY and ADAMS of the Chicago CI Office, WALKER of the Atlanta CI Office, TRIMBLE of the Dallas CI Office and PADGETT of the San Francisco CI Office continued in the coverage of previously directed auxillary leads in their respective field office areas. In late October 1981 Auditors KATHY TAGLIS and JAMES BURLEY were assigned to the investigation to assist in the organization, analyzation and evaluation of financial records previously obtained by Grand Jury subpoena and ETA and SBA contract files with a focus on financial conflict and illegal gratuity aspects of the investigation. SA SQUITERRI was debriefed as to the precise status of development of the investigation as of October and compliance by financial institutions with previously issued Federal Grand Jury subpoenas. Factual inaccuracies noted in CIC Form 104 Reports were appropriately amended and corrected.

6. Compliance with issued subpoenas was precisely determined and the records which had been obtained were carefully organized, charted and analyzed. It was soon determined that many institutions were not in full compliance and several institutions had provided no records at all, although production date had in at least one instance been months earlier. Efforts were intensified to bring all institutions in to appropriate compliance and analyze the results. Pr

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31. By mid-November, SA KAYLOR returned to other duties in Los Angeles, SA SQUITERRI discontinued his involvement in the investigation and began his reassignment to other duties at the Philadelphia PIC, and Auditors BUFLEY and TAGLIS returned to their other duties in Dallas and Chicago respectively.

7. Beginning in October 1981, the investigation was closely coordinated with the fraud section of the District of Columbia USA's Office. Grand Jury subpoenas were served, witnesses were called before the Grand Jury and additional records were obtained, organized and charted in assimilating and analyzing evidence relating to possible Federal criminal offenses to include 18 U.S.C. 201, 207, 1001, 1014 and 371.

8. On October 20, 1981, ERNEST GREEN and LAMOND GODWIN were among the witnesses who appeared and testified at the U.S. Senate Labor and Human Resources Committee Hearing. Each submitted and read from prepared remarks before answering questions by Senators ORRIN G. HATCH, EDWARD M. KENNEDY and DON QUAYLE. Their testimony was generally to the effect that for the most part, contracts and grants with which they and the Office of National Program (ONP) of the Employment and Training Office (ETA) had contact in late 1980 and January 1981 had been "in the pipeline" for some time and had been approved by and processed through the DOL Steering Committee and that, with few exceptions, rather than issuing numerous last minute contracts, what in fact occurred in last weeks of their employment with DOL just prior to the January 1981 inauguration was the routine telegram and letter approval or confirmation of the previously received and processed contracts and grants. Mr. GREEN indicated that although he had the authority to award grants and contracts they were usually and appropriately awarded and approved by the Director of the Office of National Programs (ONP), LAMOND GODWIN or an authorized subordinate and that GREEN's involvement was limited for the most part to a routine review of pending contracts and grants as a member of the DOL Contract Steering Committee which had been formed earlier at the direction of former Secretary of Labor MARSHALL. Neither Mr. GREEN or Mr. GODWIN acknowledged any administrative impropriety nor criminal misconduct. Transcripts of the witnesses testimony before the Committee on 10-20-81 have just recently been obtained by OIG. In late October 1981, Senate investigators advised RSAC ZLEIT that they had developed no real evidence of criminal misconduct on the part of GREEN or GODWIN, had concluded their investigation and review of the matter, and had no substantive information to provide OIG RSAC ZLEIT.

9. As a result of the Senate, GAO, OIG-Audit and their own internal review of CETA funding and contract evaluation and monitoring procedures initiated in the Spring of 1981, ETA prepared and by Directive dated 12-23-81 actually put into effect, new contract review, evaluation and monitoring procedures. (See the attached capsule summary reported in the 1-7-82 Dailey Labor Report.) In view of the recent program attention given ETA's issuance of sole source contracts and contracting procedures by the above mentioned agencies and assistant Secretary Angrisan's December 23, 1981 Directives and Procedures implementing GAO-Senate-OIG recommendations, an OI Investigative Memorandum containing recommendations to correct program weakness is considered unnecessary.

10. In October 1981 the focus of the investigation was shifted from contract procedure intelligence background gathering and the assimilation of information concerning the recent civilian business activity of former DOL employees ERNEST GREEN/ALEXIS HERMAN (GREEN HERMAN and ASSOCIATES) and LAMOND GODWIN (GODWIN LTD.) and redirected to a focus on the investigation of specific allegations of criminal misconduct during the period 1977-1981 while

GREEN, GODWIN, and HERMAN were employed by the US DOL, which had previously been given little or no investigative attention, and on matters of suspected criminality during the same period suggested from an analyzation

11. In October and early November 1981, numerous present and former employees of the US DOL, primarily in Washington, DC, most of whom were not previously contacted, were interviewed. Financial records and documents were closely reviewed for investigative leads and evidence. Bankers and others were interviewed. Voluminous ETA and SEA contract and related files were closely reviewed for any indication that GREEN, GODWIN, or HERMAN, their spouses, minor children, partners or organizations may have issued or been issued a contract or were otherwise involved in a personal financial conflict of interest in violation of 18 U.S.C. 208 or related violations. Witness folders and other folders were organized, prepared and labeled.

12. Attorney LIONEL POSHKOFF who represented ERNEST GREEN and ALEXIS HERMAN, who had submitted to a limited interview on August 18, 1981 at the USA's office, declined to allow his clients to provide promissory notes and other financial data they had earlier volunteered they would provide nor be interviewed by SA ZLEIT or AUSA DAVID STANLEY. Similarly, attempts to arrange for an interview of LAMOND GODWIN through his attorney RON BROWN's Office in January and early February 1982, were unsuccessful.

13. In October and November 1981 in response to requests from National Office OIG Audit personnel and Auditors on detail to the National Office the names of several CPA and consulting firm contractors were recommended to be considered for the appropriate OIG or OIG sponsored audit to include MEL HARRIS, GARRETT SULLIVAN CONSORTIUM (inclusive of MITCHELL TITUS), ONE AMERICA and others.

14. On 2-8-82 OI Chief of Investigations STEVE THOMAS, OI ETA Desk Director DAVE COFFMAN, and SA ZLEIT reviewed the file folder containing numerous miscellaneous allegations of criminal and administrative misconduct which had been assigned to SA COFFMAN for administrative and investigative handling in October 1981. It was determined many had been fully handled in the course of the recent investigation or were without merit on their face. On 2-11-82, OI LMSA Desk Director GREG POULOS prepared and appropriately forwarded Special Reports to Regional OI offices, National Office audit and the SEA IC setting forth the available details concerning allegations of collateral matters of possible interest to those offices for their case opening and investigative consideration.

15. By report dated 2-3-82, the U.S. Postal Service Crime Laboratory, Washington, DC detailed the results of their examination of paper and handwriting on Grand Jury materials submitted months earlier for their examination. By communication received on 2-10-82 the Postal Lab advised that the original items examined by them had been forwarded to the ATF Lab in WDC for ink testing and that at the conclusion of those tests, the original documents would be returned to OI. AUSA STANLEY was informed of the above and he requested those documents be returned to him so that he might return the originals to BERT N. MITCHELL as per MITCHELL's November 1981 request and the commitment AUSA STANLEY gave his counsel at the time.

16. On 2-11-82 OIG OLAP personnel were briefed as to the OI pre-Senate Hearing investigative activity regarding MEL HARRIS and Associates in the summer and early fall of 1981, and advised as were OIG auditors earlier, that the MEL HARRIS contract files and OI reports of interview regarding MEL HARRIS continue to be available for review by the audit staff supervising the MEL HARRIS audit requested by Senator HATCH. Additionally, the non-Grand Jury xeroxed ETA/SBA contract and procedure files and contract review and analyzation charts regarding other DOL and SEA 8a contractors assembled by OI investigators remain available for the review and assistance of OIG auditors.

17. On 2-12-82, JANE RESTANI, Commercial Litigation Branch Civil Division, U.S. Dept. of Justice, Washington, DC was briefed telephonically by RSAC ZLEIT as to the facts of the investigation and the declination of the criminal aspects of the case by the DC USA's Office. Ms. RESTANI expressed an interest in considering seeking a civil penalty against ERNEST GREEN for failure to report matters required by the Ethics of Government Act on his Financial Disclosure Report. She asked that copies of relevant documents and interviews be provided her so that she could review and analyze the matter. On 2-19-82, OI LMSA Desk Director POULOS hand-delivered to Ms. RESTANI relevant interviews and financial disclosure report documentation. On 2-16-82, RSAC ZLEIT was successful in reaching AUSA STANLEY to advise him the the DOJ would review the facts to consider seeking a civil penalty against GREEN. AUSA STANLEY said he would remain available to coordinate the matter and/or turn over Grand Jury material to DOJ Attorney RESTANI.

18. On 2-16-82 AUSA STANLEY advised he had recently telephoned Attorney LIONEL PASHKOFF, who represents ERNEST GREEN, and told him prosecution had been declined as to GREEN.

19. At the appropriate point in the future, ERNEST GREEN's original 1979, 1980, and 1981 Financial Disclosure Reports will be returned to the Government Ethics Office in WDC. LAMOND GODWIN's original 1979-1981 Financial Disclosure Reports are being returned to the DOL OASAM Office at 200 Constitution from which they were obtained by SA KAYLOR in October 1981.

William E. Zleit
Regional Special Agent-in-Charge

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	[Personally Identifiable Information] [partial] (6 pages)	08/18/1981	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 9310

FOLDER TITLE:

[Inspector General Documents-More IG Documents Received 3/5/97] [loose]

2019-0774-S

rs3387

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

U.S. DEPARTMENT OF LABOR
Office of the Secretary
Office of Inspector General

REPORT OF INTERVIEW

Date of Interview August 18, 1981

On this date, a meeting was conducted with ERNEST GREEN; ALEXIS HERMAN; LIONEL PASHKOFF, Representative; RICHARD BIEZER, AUSA and MARTIN SQUITIERI, Special Agent present. BIEZER opened the meeting by advising GREEN and HERMAN that nothing they said would be used against them in grand jury or other court proceedings and that the purpose of the meeting was to receive answers to questions which would be corroborated in an attempt to expedite the completion of the investigation. BIEZER stated that the thrust of the interview would be focused upon funds deposited to personal accounts; contracts of GREEN, HERMAN & ASSOCIATES and their campaign activity for President CARTER. BIEZER then suggested that the interviews of GREEN and HERMAN be conducted separately and PASHKOFF agreed. GREEN left the room and I proceeded to interview HERMAN as follows:

Her full name is ALEXIS MARGARET HERMAN (SS# (b)(6) (DOB: 7/16/47). She was employed by DOL as Director of the Womens Bureau from March 23, 1977 through January 20, 1981. Her employment at DOL was one of continuous service with no break in service. She actually began working at DOL approximately two (2) weeks prior to March 23, 1977 as a consultant while she was waiting to be confirmed by Congress. Her duties as Director of the Womens Bureau were Program Development; International Affairs; Coordination of Administrative Policy; and Legislation and Economic Statistics.

HERMAN also served as Special Assistant to the Secretary which gave her direct access to him. HERMAN was the Director of a National Program based in Atlanta, Ga. to place women in the job market from 1972 up until 1975 at which time they merged with RTP. She elected to remain in Atlanta as Director of that office rather than transfer to RTP's New York Headquarters. RTP pioneered outreach programs for blue collar workers. The purpose of the merger was to include white collar workers in the programs. In 1980, HERMAN was appointed by President CARTER to the National Consumer Cooperative Bank Board which was to fund and develop community coops. HERMAN met GREEN in 1971 at a conference in Colorado while he was President of RTP.

By Special Agent MARTIN SQUITIERI *MS*
At Washington, D.C.

Date Dictated 8/18/81
Date Transcribed 8/26/81
File No. 30-0578-0002

HERMAN stated that she did not have procurement authority and that she never became involved with a selecting panel. HERMAN would "make a pitch" by recommending programs to be considered by DOL. Her primary objective was to develop programs and contact the various program heads in an attempt to get the program funded. The Womens Bureau does not have contracting authority.

HERMAN was asked by the White House and the Secretary of Labor to campaign for President CARTER. JACK WATSON initially contacted her and instructed her as to how to handle it procedurally. HERMAN was worried about the legality of campaigning while still employed by DOL. She was advised by the Solicitor (KAREN CLAUSS) and by the White House Counsel that any campaigning should be done while she was on leave from her position. HERMAN took annual leave each time she went on a campaign trip. HERMAN stated that many speeches could have been misconstrued since she often addressed CARTER's record. HERMAN campaigned from late September 1980 through the election. She was involved in approximately ten (10) trips for which she was reimbursed approximately \$1000.00. She submitted travel vouchers to the travel desk in the campaign office of 2000 L. Street, N.W. HAMILTON JORDAN operated the campaign office.

HERMAN maintains bank accounts at GULF FEDERAL SAVINGS, Mobile Alabama; FIRST NATIONAL BANK OF ATLANTA; AMERICAN FEDERAL SAVINGS, MOBILE ALABAMA and UNION FIRST BANK OF WASHINGTON. She also maintains a mortgage at PERPETUAL AMERICAN FEDERAL SAVINGS.

HERMAN stated that many contracts were awarded in January 1981 because of a tremendous backlog of contracts that were waiting to be processed. A backlog of contracts arose from the fact that deadlines were never met. Most of the awarded contract were already approved by the Sole Source Board and were merely awaiting administrative action. Some of the contracts needed to get the approval of the Sole Source Board as late as December 1980 - January 1981. She personally appeared before the Board to get the NATIONAL COUNCIL OF NEGRO WOMEN (NCNW) refunded since they were performing satisfactorily on their existing contract for two (2) years prior. The contracts were pushed near the end of the administration because historically the new administrations scrap the old programs and begin on a new agenda.

HERMAN stated that she never received anything of value in exchange for the awarding of a contract; that contracts were not awarded in exchange for political contributions and that contracts were not awarded in exchange for sub-contracts to GREEN, HERMAN & ASSOCIATES.

At this point, HERMAN departed the office and GREEN entered. GREEN responded to my questions as follows:

His full name is ERNEST GIDEON GREEN (SS# (b)(6) (DOB: 9/22/41). He was employed as Assistant Secretary of ETA from March 3, 1977 through January 20, 1981. GREEN took a leave of absence from Mid-September 1980 until November 6, 1980 to campaign for President CARTER. He was asked by ROBERT STRAUSS to conduct the campaigning and was permanently assigned to the New York State Reelection Committee. GREEN cleared this action with the DOL Solicitor (KAREN CLAUSS) and the White House Counsel (LLOYD CUTLER). GREEN was paid approximately four to five thousand dollars for his campaigning efforts. During the time GREEN was on leave of absence, DOL continued to pay him. GREEN reimbursed DOL the funds erroneously paid to him.

As Assistant Secretary of ETA, GREEN was the Chief Operating Official for ETA to the Secretary. GREEN prepared a budget for Congress stating how the Title III & IV funds were to be expended. If the budget passed through the Congress, it then had to get the approval of the Title III and IV review committee. The review committee consisted of LAMOND GODWIN; CHUCK KNAPP; BOB TAGGART and TIM BARNICLE. The budget was "fairly specific" as to where and how the appropriated funds should be expended. The Sole Source Board was the final approval within DOL. The contracts awarded late in the administration were funds that were already committed to contractors who had demonstrated effectiveness. GREEN was on leave of absence for six (6) weeks as were other top officials for various periods of time during the campaign. The absence of the top officials created a backlog of contracts, which were already approved and were good programs. Approximately 90-95% of the awarded contracts were contracts to be extended because of prior commitments and demonstrated effectiveness. There were not very many new contracts awarded late in the administration. GREEN stated that there was no change in his activities after the election in November and that the contracts which were pending were executed.

GREEN stated that he maintains bank accounts at AMALGAMATED BANK OF NEW YORK; NATIONAL BANK OF WASHINGTON; UNITED NATIONAL BANK OF WASHINGTON; NATIONAL BANK OF LITTLE ROCK and CARVER FEDERAL SAVINGS & LOAN ASSOCIATION.

GREEN presented the attached list of explanations of several deposited items to his bank accounts. GREEN received a \$10,000.00 loan from BERT MITCHELL on January 24, 1980. BERT MITCHELL has been GREEN's CPA for many years. GREEN stated that a note does exist and that he makes payments to MITCHELL annually. GREEN pays the loan from his account at AMALGAMATED BANK OF NEW YORK and the payments include interest. GREEN borrowed the money for the renovation of 21 S. Street, N.W. MITCHELL is involved in a consortium of CPA firms who were awarded a contract through ETA's Office of National Programs (ONP) in 1979 or 1980. Discretionary Money is involved in this contract. GREEN stated that he did not participate in the awarding or the administration of the contract to BERT MITCHELL. GREEN also received loans from J. ROSS CAMBELL on October 5, 1977 for \$10,000.00 and from ROBERT GILMORE in March 1981 for \$25,000.00. The loan from GILMORE was used to begin GREEN, HERMAN & ASSOCIATES. Neither CAMBELL nor ROSS have ever had contracts with DOL. GREEN and his attorney stated that they would furnish all documentation relative to these loans.

GREEN stated that he has never taken anything of value in exchange for the awarding of a contract; that he never awarded a contract for political contributions or awarded a contract in exchange for subcontracts for GREEN, HERMAN & ASSOCIATES.

At this point, HERMAN reentered the office and both GREEN and HERMAN were questioned regarding the activities of GREEN, HERMAN & ASSOCIATES. GREEN and HERMAN responded as follows:

GREEN, HERMAN & ASSOCIATES was initiated sometime after January 20, 1981. GREEN and HERMAN began conceptualizing the idea right after the election in November and they had a target opening date of March 1, 1981. Both GREEN and HERMAN discussed the idea of their own business, tested the job market and decided to try on their own. They wanted to get away from government contracts and to concentrate primarily on the private sector contracts. The funds needed to initiate the corporation came from two (2) loans. ROBERT GILMORE loaned GREEN, HERMAN & ASSOCIATES \$25,000.00 in March 1981 and JOHN BUSTAMANTE loaned HERMAN \$10,000.00 who invested in into the corporation. BUSTAMANTE's check to HERMAN was written from the TAWASA INVESTMENT CORP., Cleveland, Ohio. BUSTAMANTE has already been repaid with interest. Both GILMORE and BUSTAMANTE are personal friends and are not contractors of DOL.

The deposits into the GREEN, HERMAN & ASSOCIATES bank accounts were identified as follows:

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
1/27/81	\$2,500.00	Loan - Mitchell, Titus & Co.
2/9/81	\$10,000.00	Loan - John Bustomante
2/7/81	\$2,000.00	NCNW
3/4/81	\$25,000.00	Loan - Robert Gilmore
4/14/81	\$12,500.00	Media Systems Inc.
3/13/81	\$12,500.00	Mel Harris & Association
4/27/81	\$12,500.00	Mel Harris & Association

The \$2,000.00 received from NCNW was payment for a training course where GREEN, and HERMAN instructed the NCNW staff relative to CETA regulations.

The \$12,500.00 received from MEDIA SYSTEMS INC. was payment for GREEN, HERMAN and ASSOCIATES refining the audio and visual teaching materials used by MEDIA SYSTEMS. This contract is currently on going.

The \$25,000.00 payment from MEL HARRIS & ASSOCIATES was for consulting services relative to a CETA contract in Mobile, Alabama. MEL HARRIS was awarded the prime contract through the prime sponser (City of Mobile) and not through the National Office. All five (5) members of GREEN, HERMAN's staff were involved with this contract.

GREEN and HERMAN both restated that they never solicited contracts for GREEN, HERMAN & ASSOCIATES while they were employed at DOL.

GREEN Loans

<u>Date</u>	<u>Amount</u>	<u>Source</u>	
5/77	\$10,000.	J. ROSS CAMT	
8/79	20,000	AMALGAMATED B.	'4
5/80	\$3,700.	"	
1/79	\$10,000	Mitchell UNITED NATL B	ASH
1/80	6,000	Mitchell UNITED NATL BK	SH.
9	73,000	UNION NATL BK &	4.
1/81	Loan Application - UNION NATL BK OF WASH know if loan was g		1

U.S. DEPARTMENT OF LABOR
Office of the Secretary
Office of Inspector General

REPORT OF INTERVIEW

May 6, 1981

Date of Interview _____

On this date, Special Agent JOAN NUGENT and I met with ALEXIS HERMAN and LIONEL E. PASHKOFF, her attorney, at 1120 Connecticut Avenue, N. W., Washington, D. C. NUGENT and I presented our credentials to HERMAN and PASHKOFF for their inspection. PASHKOFF then presented us with the attached corporate records of GREEN, HERMAN & ASSOCIATES INC. and HERMAN answered my questions as follows:

HERMAN stated that she is the custodian of records and that the records are maintained in the normal course of business. She stated that a person having knowledge of the recorded events made the entries in the books. HERMAN stated that the submitted records are a true and accurate account of the business activities of the corporation and that the records are complete as they relate to the subpoena.

I reviewed the submitted documents and told PASHKOFF that I needed the back sides of the cancelled checks. PASHKOFF stated that he would get information for me the next day (May 7, 1981).

The meeting was terminated and nothing further was discussed.

Special Agent MARTIN SQUITIERI

By _____
Washington, D. C.

At _____

Date Dictated 5/6/81

Date Transcribed 5/7/81

File No. 30-0578-0002

U.S. DEPARTMENT OF LABOR
Office of the Secretary
Office of Inspector General

REPORT OF INTERVIEW

Date of Interview August 20, 1981

On this date, I telephoned LIONEL PASHKOFF and requested further documentation relative to loans made by GREEN, HERMAN and GREEN, HERMAN & ASSOCIATES and to bank accounts maintained by HERMAN at AMERICAN FEDERAL SAVINGS AND GULF FEDERAL SAVINGS.

The documentation relative to the loans is to include promissory notes and cancelled checks reflecting payments on the loans. The loans which further documentation was requested are as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
11/13/79	\$10,000	Bert Mitchell
1/24/80	\$10,000	Bert Mitchell
9/2/80	\$ 6,000	Bert Mitchell
10/5/77	\$10,000	J. Ross Campbell
2/9/81	\$10,000	John Bustomante
1/27/81	\$2,500	Mitchell, Titus & Co.
3/2/81	\$25,000	Robert Gilmore

The documentation relative to the bank accounts is to include all bank statements for the years 1977 to present.

Nothing further was discussed.

By Special Agent Martin Squitieri MS
At Arlington, Virginia

Date Dictated 8/20/81
Date Transcribed 8/26/81
File No. 30-0578-0002



Type of Report		City/State of Investigation		DOL Program	
☐ Preliminary	☒ Final	Washington, D. C.		ETA	
☐ Special	☐ Supplemental	Date of Report		Case Number	
		10/8/81		30-0578-0002	
Subject		Reviewers' Initials			
ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)					
		Date Reviewed			
Special Agent		Regional Office			
Martin Squitieri		Arlington Field Office, Philadelphia Region			

1) This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

2) The purpose of this report is to close this case from the Philadelphia RIO files and transfer it to WILLIAM ZLIET who will assume responsibility under case #0I-0524-0001. A synopsis of the activity in the case is as follows:

3) A review of all ETA contracts awarded from January 1, 1978 through March 24, 1981 was completed. The review provided a universe of forty five (45) suspect contractors involving approximately one hundred sixty (160) contracts totalling approximately three (3) billion dollars. The universe was comprised of twenty six (26) minority 8A contractors and nineteen (19) other companies located throughout the country. The 8A contractors were selected for review based on testimony that GODWIN assumed all control over the procurement process for 8A contractors. The remaining contractors were selected based on various allegations made by several ETA employees.

4) The initial thrust of the investigation was to gather as much data as possible relative to the contractors and subjects. This objective was accomplished by the use of mail covers, Federal Election Commission (FEC) printouts, FTS toll call printouts, personal toll call printouts, SBA file reviews and ETA file reviews. The ETA file reviews also reflected any diversions from the normal procurement process.

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The records cover the period February 1981 through the date of submission. The source of income to the corporation were identified as follows:

<u>Date</u>	<u>Amount</u>	<u>Source</u>
1/27/81	\$2,500.00	Loan - Mitchell, Titus & Co.
2/9/81	\$10,000.00	Loan - John Bustomante
2/7/81	\$2,000.00	National Council of Negro Women
3/4/81	\$25,000.00	Loan - Robert Gilmore
4/14/81	\$12,500.00	Media System Inc.
3/13/81	\$12,500.00	Mel Harris & Associates
4/17/81	\$12,500.00	Mel Harris & Associates

6) Third party interviews were conducted relative to the \$2,000 receipt from NATIONAL COUNCIL OF NEGRO WOMEN (NCNW) and they revealed that the payment was made for a CETA training seminar organized by GREEN, HERMAN & ASSOCIATES. The testimony produced no evidence that the \$2,000 payment was related to GREEN or HERMAN's participation in awarding contracts to NCNW while they held positions at DOL.

Go Repetti
7) The receipt of funds from MEDIA SYSTEMS INC., MITCHELL TITUS & Co. and ROBERT GILMORE are presently being investigated by the New York RIO (ERNEST REPETTI) since the individuals and firms are located within that Region. The receipt of funds from MEL HARRIS & ASSOCIATES and JOHN BUSTOMANTE is presently being investigated by the Chicago Rio (WHITNEY ADAMS).

issue new //
8) It should be noted that the Senate Investigators are concentrating on whether a conflict of interest existed between contracts of GREEN, HERMAN & ASSOCIATES and contracts awarded by GREEN and/or HERMAN while they were employed at DOL. Due to the early date of the subpoena service, the investigative file does not contain information relative to the corporation past May 6, 1981. The Senate Investigators are investigating the activities of GREEN, HERMAN & ASSOCIATES through approximately August 1981. Pursuant to a conversation with A. M. STATHAM on October 6, 1981, consideration should be given to serving a new subpoena on GREEN, HERMAN & ASSOCIATES in order to coincide with the Senate investigation.

22 10) The major area of concern regarding the bank records are the two (2) unidentified "loans" made to GREEN by BERT N. MITCHELL. The "loans" were made on November 13, 1979 and September 2, 1980 for \$10,000 and \$6,000, respectively, and were deposited in GREEN's personal checking account maintained at UNITED NATIONAL BANK OF WASHINGTON. GREEN stated that he borrowed an additional \$10,000 from MITCHELL on January 24, 1980 which was deposited in his personal checking account at NATIONAL BANK OF WASHINGTON. The latter "loan" has yet to be identified.

11) MITCHELL, TITUS & CO., made a loan of \$2500 to GREEN, HERMAN & ASSOICIATES on January 27, 1981. MITCHELL is the managing partner of MITCHELL, TITUS & Co.

call
Regette
12) GREEN stated that the "loans" have not been paid but he makes interest payments on an annual basis to MITCHELL. GREEN stated that the payments were made from his personal checking account at the AMALGAMATED BANK OF NEW YORK. The cancelled checks have not been received from AMALGAMATED as of the date of this report. A review of the bank statements submitted by AMALGAMATED indicates very small balances and small checks written against that account.

accept
13) GREEN stated that promissory notes do exist for each of the "loans" and that he would make them available, however, none have been submitted.

14) A review of financial statements relative to GREEN and MITCHELL, indicating a date later than the first "loan". reflects no mention of a note receivable on MITCHELL's behalf nor does it reflect a note payable on GREEN's behalf. The financail statement relative to GREEN was submitted to a financial institution for a bak loan and the statement relative to MITCHELL was submitted to SBA for 8A certification.

15) AUSA DAVE STANLEY is attempting to get an Ex Parte Order for the release of GREEN's and MITCHELL's federal income tax returns from IRS to determine if either of them reported interest income or deducted interest paid.

16) MITCHELL, TITUS & Co. is a member of the GARRETT, SULLIVAN & Co., CPA consortium comprised of GARRETT, SULLIVAN & Co.; MITCHELL, TITUS & Co.; ASHBY & Co. and WATSON, RICE & Co., GARRETT, SULLIVAN & Co., was awarded in excess of \$8 million dollars in contracts while GREEN was Assistant Secretary.

17) MITCHELL, TITUS & Co., was awarded an \$80,000 contract in September 1980.

MITCHELL

check on X
maintained a mortgage at NASSAU SAVING & LOAN and all documents in the bank's file has been secured. To date, nothing has been received from CITIBANK.

19) The ETA contract and fed rep files have been secured and an in depth review of the files has been completed. *!!*

20) Recent developments in the case indicates that GODWIN received a \$1,000 loan from E. H. WHITE & Co., on March 2, 1981 which was deposited into his personal checking account at NATIONAL BANK OF WASHINGTON. WHITE is an 8A contractor who received contracts through ETA while GODWIN was employed at DOL. Nothing has been done in this regard with the exception of requesting the assignment of WAYNE PADGETT in the San Francisco RIO to assist in the development of this new finding.??

Martin Squitieri
Special Agent

*review
Godwin
records
- chronology*

DRAFT



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, D. C. ETA DOL Program Date of Report 9/1/81 Case Number 30-0578-0002
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)	Reviewers' Initials Date Reviewed
Special Agent Martin Squitieri	Regional Office Arlington Field Office, Philadelphia Region

1) This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

2) GREEN and HERMAN were interviewed at the United States Attorneys Office on August 18, 1981. GREEN identified several of the large deposits into his personal accounts as being funds from such sources as tax refunds, reimbursements from the government etc. GREEN's explanations of the deposits have been corroborated with the available documentation submitted by the banks.

3) GREEN explained the deposits listed below as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
11/13/79	\$10,000	Loan - Bert Mitchell
1/24/80	10,000	Loan - Bert Mitchell
9/2/80	6,000	Loan - Bert Mitchell
10/5/77	10,000	Loan - J. Ross Campbell
2/9/81	10,000	Loan - John Bustomante
1/27/81	2,500	Loan - Mitchell, Titus & Co.
3/2/81	25,000	Loan - Robert Gilmore

WR0216

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4. GREEN stated that promissory notes do exist for each of the aforementioned loans and that they will be furnished to me along with documentation indicating that the loans are being paid with interest. On August 20, 1981, GREEN's Attorney stated that he would furnish the above stated information in approximately one (1) week. Nothing has been received to date.

5. GREEN stated that BERT MITCHELL has been his CPA for many years. He stated that MITCHELL is involved in a consortium of CPA firms who were awarded a contract through ONP in 1979 or 1980. GREEN stated that he did not participate in the awarding or administration of the contract to this consortium.

6) A review of MITCHELL's personal financial statements which he submitted to SBA for 8A Certification indicates no mention of notes receivable nor does it indicate that MITCHELL had a net worth equal to the amount paid to GREEN.

7) A review of GREEN's financial statement which he submitted to the NATIONAL BANK OF WASHINGTON as part of a loan application indicated no mention of notes payable.

8) A review of the ETA contract and fed rep files relative to GARRETT SULLIVAN & CO., and MITCHELL, TITUS & CO., indicate that an aggregate amount of over \$8 million in contracts and modification were awarded to the two (2) entities while GREEN was Assistant Secretary.

9) The ETA files also indicate that GREEN and GODWIN exerted pressure on several ETA employees to award the initial contract and in awarding modifications. Several ETA employees will be interviewed during the next reporting period.

11) The NATIONAL SHERATON HOTEL was contacted and their records indicate that GREEN, HERMAN & ASSOCIATES did conduct a training seminar at the hotel for the NATIONAL COUNCIL OF NEGRO WOMEN (NCNW). They furnished documentation indicating the dates and attendees of the training session which corroborates the statements made by DOROTHY HEIGHT, NCNW, that the \$2,000.00 payment to GREEN, HERMAN & ASSOCIATES was payment for a training session they conducted.

It is recommended that this case remain open and that a complete analysis of all loans to GREEN and a complete in depth financial analysis of GODWIN be completed.


Martin Squitieri
Special Agent



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental		City/State of Investigation Washington, D.C.		DOL Program ETA	
		Date of Report 6/3/81		Case Number 30-0576-0022	
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts;		Reviewers' Initials MS P-			
		Date Reviewed 8/3/81 8/5/81			
Special Agent MARTIN SQUITLERI		Regional Office Arlington Field Office, Philadelphia Region			

1) This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

2) MEL HARRIS & ASSOCIATES INC, was contacted regarding payments made to GREEN, HERMAN & ASSOCIATES. These payments reflected compensation for consulting services not related either primarily or secondarily to a DOL contract. MEL HARRIS was not one of the organizations involved in the "last minute giveaway."

3) _____
1

5) Financial records relative to GODWIN are approximately 75% complete. The records do not reflect unidentifiable large deposits.

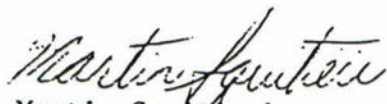
CAUTION: THIS PAGE
CONTAINS SECRET GRAND
JURY INFORMATION

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6) LIONEL PASHKOFF, Attorney representing GREEN and HERMAN, agreed to allow his clients to be interviewed. PASHKOFF stated that GREEN and HERMAN will answer my questions and furnish documentation relative to questionable deposited items.

7) It is recommended that this case remain open and that a complete in depth financial analysis be completed relative to each of the individuals.



Martin Squitieri
Special Agent



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, D. C.		DOL Program ETA		
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)		Date of Report 7/1/81	Case Number 30-0578-0002		
Special Agent Martin Squitieri		Reviewers' Initials EES			
		Date Reviewed 7/6/81			
		Regional Office Arlington Field Office, Philadelphia Region			

This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

Since the last report, the investigation has progressed as follows:

1. All of the federal representatives (fed reps) involved in the administration of the contracts awarded to the forty five (45) contractors were interviewed. The interviews revealed no specific allegations relative to the awarding or administration of the contracts. Several fed reps stated that the "last minute" awarding of contracts was a result of a backlog of contracts in the pipeline.
2. A detailed analysis of the information and documentation secured by the review of the ETA contract files has been completed. The analysis is useful in organizing the voluminous amounts of documents to a workable system and in identifying individuals and entities involved in each of the contracts.
3. DOROTHY HEIGHT, President of NATIONAL COUNCIL OF NEGRO WOMEN (NCNW), was interviewed and she stated that the allegations of a "last minute giveaway" is the result of a racist newspaper article. She stated that the contracts awarded to NCNW were in the ETA pipeline for long periods of time and she furnished documentation so indicating.

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4. Additional mail cover data was received from the U.S. Postal Service relative to GREEN, GODWIN and HERMAN. This data reveals the contractors and financial institutions they are in contact with.

5. Payroll Records, Personnel Folders and Financial Disclosure Reports relative to GREEN, GODWIN and HERMAN have been secured from the appropriate offices.

It is recommended that this case remain open and that a complete in depth financial analysis be completed relative to each of the individuals.

Martin Squitieri
Martin Squitieri
Special Agent

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Type of Report		City/State of Investigation		DOL Program	
☒ Preliminary	☐ Final	Washington, D. C.		ETA	
☐ Special	☐ Supplemental	Date of Report		Case Number	
		3/1/81		30-0578-0005	
Subject ERNEST CREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HEFMAN contracts)		Reviewers' Initials			
		Date Reviewed			
Special Agent Martin Squitieri		Regional Office Arlington Field Office Philadelphia Region			

This case is based upon information supplied by ETA that ERNEST CREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HEFMAN, former Head of the Women's Bureau. It is also alleged that CREEN, GODWIN and HEFMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUCENT from March 20, 1981 through the present.

Since the last report, the investigation has progressed as follows:

1. A review of the ETA contract files relative to all contracts awarded to the forty five (45) contractors is complete. The review reveals the individuals involved in the negotiations and the awarding of the contracts for both ETA and the contractors, the background of the individuals, instances where other contractors contest the awarding of the contracts and various general information.
2. A detailed analysis of the information and documentation secured by the review of the ETA contract files is approximately 50% complete. The analysis is identifying the fed reps assigned to each of the contracts and is organizing the voluminous amounts of documents to a workable and useful system.

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SECURITY INFORMATION

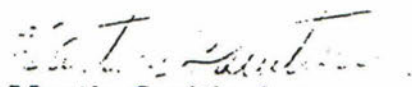
4. An investigative lead was sent to the Chicago Regional Investigative Office requesting that a Special Agent contact MEL HARRIS & ASSOCIATES INC., relative to payments made to GREEN, HERMAN & ASSOCIATES and to secure all documentation relative to the transaction(s).

5. The corporate records reflect that GREEN maintained checking accounts at UNITED NATIONAL BANK OF WASHINGTON and NATIONAL BANK OF WASHINGTON and that HERMAN maintained checking accounts at FIRST AMERICAN BANK OF WASHINGTON. A

6. Records furnished by FIRST AMERICAN BANK OF WASHINGTON indicate that HERMAN maintained three (3) checking accounts and one (1) savings account at that bank. A brief review of the bank records reveals that HERMAN made several large deposits to two (2) of the accounts during the first three (3) months of 1981. These deposits appear to be inconsistent with the pattern of deposits in earlier years. A detailed analysis of all the accounts will be completed.

7. Mail Cover data from the U.S. Postal Service was received relative to GODWIN and HERMAN for the period May 12, 1981 through May 20, 1981. This data reveals the contractors and financial institutions they are in contact with.

It is recommended that this case remain open and that a complete in-depth financial analysis be completed relative to each of the individuals.


Martin Squitieri
Special Agent

SEARCHED
SERIALIZED
INDEXED
FILED



Type of Report ☐ Preliminary ☐ Final ☒ Special ☐ Supplemental	City/State of Investigation Washington, D. C.	DOL Program ETA		
	Date of Report 5/19/81	Case Number 30-0578-0002		
Subject ERNEST GREEN (Alleged conflict of LAMOND GODWIN interest in awarding ALEXIS HERMAN ETA contracts)	Reviewers' Initials			
	Date Reviewed			
Special Agent MARTIN SQUITIERI	Regional Office Arlington Field Office, Philadelphia Region			

This request relates to the alleged conflict of interest in awarding contracts through the CETA, Office of National Projects (ONP), by ERNEST GREEN, former Assistant Secretary of ETA; LAMOND GODWIN, former director of ONP and ALEXIS HERMAN, former director of the Women's Bureau. It is alleged that preferential treatment was extended to certain contractors by GREEN, GODWIN and/or HERMAN in exchange for political and/or financial considerations.

It has been determined that GREEN and HERMAN have complete ownership of a consulting firm in Washington, D. C. GREEN, HERMAN and ASSOCIATES INC. was authorized to conduct business as a corporation in the District of Columbia on January 21, 1981.

GREEN, HERMAN and ASSOCIATES INC. entered into a subcontracting arrangement with MEL HARRIS & ASSOCIATES INC., 3226 Nevada Avenue North, Crystal Minnesota 55427 (Tel# 612-537-0622). Attachment I is a photocopy of a letter dated April 3, 1981 reflecting the subcontracting agreement.

It is requested that a Special Agent contact MEL HARRIS and secure photocopies of all documentation relative to this subcontract. The secured documents should include but not be limited to all contracts, subcontracts and any other formal agreement entered into with GREEN, HERMAN and ASSOCIATES; a description of work to be performed; the names of individuals to perform the work; billing invoices; the front and back of the cancelled checks or other negotiable instruments that constituted payment etc.

The Special Agent should also interview MEL HARRIS relative to his relationship with GREEN and HERMAN. Attachment II is a suggested format to be used in interviewing HARRIS.

Thank you for your assistance in the matter. If further assistance is needed, please contact Special Agent Martin Squitieri at FTS 235-2420.

Martin Squitieri
Martin Squitieri
Special Agent

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GREEN-HERMAN & ASSOCIATES, INC.

1825 Connecticut Avenue, N.W.

Suite 308

Washington, D.C. 20009

Telephone: (202) 797-7206

April 3, 1981

Mel Harris
Mel Harris & Associates, Inc.
3226 Nevada Avenue North
Crystal, Minnesota 55427

Dear Mel:

This document serves as a formal letter of agreement between Mel Harris & Associates, Inc., and Green-Herman & Associates, Inc. Green-Herman & Associates will enter into a subcontracting arrangement with Mel Harris & Associates to assist with the transitioning of 700 EOPP Public Service Employment (PSE) participants and the administrative and close-out technical assistance for the Mobile County Consortium.

Specifically, Green-Herman & Associates, Inc., agrees to provide the following services in its subcontracting relationship:

In the transition phase Green-Herman & Associates, Inc., will:

- (1) Assist EOPP in implementing necessary procedures to accommodate smooth transitioning of participants;
- (2) Coordinate an advertising campaign directed to the general public and potential employers;
- (3) Assist EOPP in developing a feedback mechanism of participant information from the various sites and support staff;
- (4) Assist in convening a meeting of the PIC, ES, other employment and training programs such as WIN, Job Corps, Title III projects, business and labor groups to write the local re-employment plan;
- (5) Assist with documenting the termination of PSE participants.

In the administrative and close-out technical assistance phase Green-Herman & Associates, Inc., will:

- (1) Assist in the close-out of the administrative structure and staff;
- (2) Conduct an evaluation of the Mobile project;
- (3) Submit a written evaluation report.

Green-Herman & Associates, Inc., understands that the time framework for the prime and subcontracts is April 2, 1981-September 30, 1981. Green-Herman & Associates, Inc., will accomplish all of the listed tasks during this time period. Green-Herman & Associates, Inc., will require 2,380 hours of staff and consultant time at a total fixed personnel cost of \$63,070. The evaluation and report will be a fixed cost of \$11,930. Thus, the total fixed cost of Green-Herman & Associates, Inc., subcontract with Mel Harris & Associates, Inc., is \$75,000.

Green-Herman & Associates, Inc., will require one-third (\$25,000) of the \$75,000 subcontract in a single advance payment, due upon signing of this agreement. The remainder of the fixed cost contract (\$50,000) will be invoiced in accordance with the billing process of the prime contractor over the life of the contract.

Green-Herman & Associates, Inc., is pleased to enter into this subcontracting agreement with Mel Harris & Associates, Inc., effective this date.

ALEXIS HERMAN
Green-Herman & Associates, Inc.
April 6, 1981

MEL HARRIS
Mel Harris & Associates, Inc.
April 6, 1981



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, D. C.	DOL Program ETA		
	Date of Report 5/1/81	Case Number 20-0578-0002		
Subject EPNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)	Reviewers' Initials LCS			
	Date Reviewed 5/6/81			
Special Agent Martin M. Squitieri	Regional Office Arlington Field Office Philadelphia Region			

This case is based upon information supplied by ETA that EPNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

The investigation at this point concerns itself with a multitude of issues and allegations. The thrust of our investigative efforts at this point is to narrow the scope of the investigation by gathering as much data as possible relative to the contracts, contractors and subjects. Since the last report, the investigation has progressed as follows:

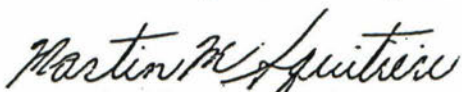
- 1) A review of the ETA contract files relative to all contracts awarded to the forty five (45) contractors is approximately 50% complete. The review reveals the individuals involved in the negotiations and the awarding of the contracts for both ETA and the contractors, the background of the individuals, instances where other contractors contest the awarding of the contracts, and various general information.
- 2) A computer printout was received from the Federal Election Commission (FEC) indicating the names and addresses of individuals who contributed in excess of \$200.00 to the CARTER/MONDLE Presidential Campaign. A more detailed review of the Political Activity Group Contributors has been initiated. The latter review will identify the companies who contributed to the campaign.
- 3) Transcripts of toll telephone calls have been received from CBA relative to the FTS lines of the respective subjects and from C & P Telephone Co. relative to their home telephones. This data is awaiting a more detailed review.

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- 4) Third party interviews revealed that GREEN and HERMAN established a consulting firm in Washington, D. C. on January 21, 1981. GREEN, HERMAN & ASSOCIATES INC. is comprised of GREEN, HERMAN, EULA BINGHAM, (former Assistant Secretary of OSHA) and KAREN CLAUSS (former Solicitor). The Articles of Incorporation have been secured and they indicate that the entity was incorporated in the State of Delaware and has reciprocity in the District of Columbia.

It is recommended that the gathering of pertinent information be continued in an attempt to identify more specific allegations in the case.



Martin M. Squitieri
Special Agent

- 4) Third party interviews revealed that GREEN and HERMAN established a consulting firm in Washington, D. C. on January 21, 1981. GREEN, HERMAN & ASSOCIATES INC. is comprised of GREEN, HERMAN, EULA BINGHAM, (former Assistant Secretary of OSHA) and KAREN CLAUSS (former Solicitor). The Articles of Incorporation have been secured and they indicate that the entity was incorporated in the State of Delaware and has reciprocity in the District of Columbia.

It is recommended that the gathering of pertinent information be continued in an attempt to identify more specific allegations in the case.

Martin M. Squitieri

Martin M. Squitieri
Special Agent

DATE: February 3, 1982

OUR REF: IS611:RFrench:baf
Special (QD-608-81)

SUBJECT: Questioned Document Examination
Requested December 3, 1981

*Handdelivered
2-9-82*

TO: David R. Coffman
Director
ETA Branch Investigations
U. S. Department of Labor
Office of Inspector General
P. O. Box 1924
Washington, DC 20013

CRIME LABORATORY

EXAMINATION REPORT

PROBLEM: Determine whether the questioned signatures and endorsements "Ernest G. Green" appearing on Exhibits Q-1 through Q-4 were written by one writer.

Determine the approximate date of manufacture of the paper composing Exhibits Q-1 and Q-3.

FINDINGS: A comparison of the questioned signatures and endorsements "Ernest G. Green" appearing on Exhibits Q-1 through Q-4 reveals that they were probably written by one writer. However, any definite determination of authorship will require the submission of specimen writing from any suspects. The specimen writing should repeat the questioned signature at least twenty times on separate sheets of paper. If normal course of business or non-request writing is available, it should also be submitted for comparison purposes.

The paper composing Exhibit Q-1 is a sheet of "Eagle-A Trojan Bond" which was manufactured by the Brown Company (Crocker Division) as early as 1972.

No determination could be made as to the date of manufacture or the actual manufacturer of the paper composing Exhibit Q-3.

Special (QD-608-81)

February 3, 1982

EXHIBITS: The exhibits were received on December 7, 1981, via First Class mail. All exhibits are being retained pending the completion of other examinations.



R. W. FRENCH
DOCUMENT ANALYST

U.S. DEPARTMENT OF LABOR
Office of the Secretary
Office of Inspector General

REPORT OF INTERVIEW

Date of Interview August 18, 1981

On this date, a meeting was conducted with ERNEST GREEN; ALEXIS HERMAN; LIONEL PASHKOFF, Representative; RICHARD BIEZER, AUSA and MARTIN SQUITIERI, Special Agent present. BIEZER opened the meeting by advising GREEN and HERMAN that nothing they said would be used against them in grand jury or other court proceedings and that the purpose of the meeting was to receive answers to questions which would be corroborated in an attempt to expedite the completion of the investigation. BIEZER stated that the thrust of the interview would be focused upon funds deposited to personal accounts; contracts of GREEN, HERMAN & ASSOCIATES and their campaign activity for President CARTER. BIEZER than suggested that the interviews of GREEN and HERMAN be conducted separately and PASHKOFF agreed. GREEN left the room and I proceeded to interview HERMAN as follows:

Her full name is ALEXIS MARGARET HERMAN (SS# (b)(6) (DOB: 7/16/47). She was employed by DOL as Director of the Womens Bureau from March 23, 1977 through January 20, 1981. Her employment at DOL was one of continuous service with no break in service. She actually began working at DOL approximately two (2) weeks prior to March 23, 1977 as a consultant while she was waiting to be confirmed by Congress. Her duties as Director of the Womens Bureau were Program Development; International Affairs; Coordination of Administrative Policy; and Legislation and Economic Statistics.

HERMAN also served as Special Assistant to the Secretary which gave her direct access to him. HERMAN was the Director of a National Program based in Atlanta, Ga. to place women in the job market from 1972 up until 1975 at which time they merged with RTP. She elected to remain in Atlanta as Director of that office rather than transfer to RTP's New York Headquarters. RTP pioneered outreach programs for blue collar workers. The purpose of the merger was to include white collar workers in the programs. In 1980, HERMAN was appointed by President CARTER to the National Consumer Cooperative Bank Board which was to fund and develop community coops. HERMAN met GREEN in 1971 at a conference in Colorado while he was President of RTP.

By Special Agent MARTIN SQUITIERI MS
At Washington, D.C.

Date Dictated 8/18/81
Date Transcribed 8/26/81
File No. 30-0578-0002

HERMAN stated that she did not have procurement authority and that she never became involved with a selecting panel. HERMAN would "make a pitch" by recommending programs to be considered by DOL. Her primary objective was to develop programs and contact the various program heads in an attempt to get the program funded. The Womens Bureau does not have contracting authority.

HERMAN was asked by the White House and the Secretary of Labor to campaign for President CARTER. JACK WATSON initially contacted her and instructed her as to how to handle it procedurally. HERMAN was worried about the legality of campaigning while still employed by DOL. She was advised by the Solicitor (KAREN CLAUSS) and by the White House Counsel that any campaigning should be done while she was on leave from her position. HERMAN took annual leave each time she went on a campaign trip. HERMAN stated that many speeches could have been misconstrued since she often addressed CARTER's record. HERMAN campaigned from late September 1980 through the election. She was involved in approximately ten (10) trips for which she was reimbursed approximately \$1000.00. She submitted travel vouchers to the travel desk in the campaign office of 2000 L. Street, N.W. HAMILTON JORDAN operated the campaign office.

HERMAN maintains bank accounts at GULF FEDERAL SAVINGS, Mobile Alabama; FIRST NATIONAL BANK OF ATLANTA; AMERICAN FEDERAL SAVINGS, MOBILE ALABAMA and UNION FIRST BANK OF WASHINGTON. She also maintains a mortgage at PERPETUAL AMERICAN FEDERAL SAVINGS.

HERMAN stated that many contracts were awarded in January 1981 because of a tremendous backlog of contracts that were waiting to be processed. A backlog of contracts arose from the fact that deadlines were never met. Most of the awarded contract were already approved by the Sole Source Board and were merely awaiting administrative action. Some of the contracts needed to get the approval of the Sole Source Board as late as December 1980 - January 1981. She personally appeared before the Board to get the NATIONAL COUNCIL OF NEGRO WOMEN (NCNW) refunded since they were performing satisfactorily on their existing contract for two (2) years prior. The contracts were pushed near the end of the administration because historically the new administrations scrap the old programs and begin on a new agenda.

HERMAN stated that she never received anything of value in exchange for the awarding of a contract; that contracts were not awarded in exchange for political contributions and that contracts were not awarded in exchange for sub-contracts to GREEN, HERMAN & ASSOCIATES.

At this point, HERMAN departed the office and GREEN entered. GREEN responded to my questions as follows:

His full name is ERNEST GIDEON GREEN (SS# (b)(6) (DOB: 9/22/41). He was employed as Assistant Secretary of ETA from March 3, 1977 through January 20, 1981. GREEN took a leave of absence from Mid-September 1980 until November 6, 1980 to campaign for President CARTER. He was asked by ROBERT STRAUSS to conduct the campaigning and was permanently assigned to the New York State Reelection Committee. GREEN cleared this action with the DOL Solicitor (KAREN CLAUSS) and the White House Counsel (LLOYD CUTLER). GREEN was paid approximately four to five thousand dollars for his campaigning efforts. During the time GREEN was on leave of absence, DOL continued to pay him. GREEN reimbursed DOL the funds erroneously paid to him.

As Assistant Secretary of ETA, GREEN was the Chief Operating Official for ETA to the Secretary. GREEN prepared a budget for Congress stating how the Title III & IV funds were to be expended. If the budget passed through the Congress, it then had to get the approval of the Title III and IV review committee. The review committee consisted of LAMOND GODWIN; CHUCK KNAPP; BOB TAGGART and TIM BARNICLE. The budget was "fairly specific" as to where and how the appropriated funds should be expended. The Sole Source Board was the final approval within DOL. The contracts awarded late in the administration were funds that were already committed to contractors who had demonstrated effectiveness. GREEN was on leave of absence for six (6) weeks as were other top officials for various periods of time during the campaign. The absence of the top officials created a backlog of contracts, which were already approved and were good programs. Approximately 90-95% of the awarded contracts were contracts to be extended because of prior commitments and demonstrated effectiveness. There were not very many new contracts awarded late in the administration. GREEN stated that there was no change in his activities after the election in November and that the contracts which were pending were executed.

GREEN stated that he maintains bank accounts at AMALGAMATED BANK OF NEW YORK; NATIONAL BANK OF WASHINGTON; UNITED NATIONAL BANK OF WASHINGTON; NATIONAL BANK OF LITTLE ROCK and CARVER FEDERAL SAVINGS & LOAN ASSOCIATION.

GREEN presented the attached list of explanations of several deposited items to his bank accounts. GREEN received a \$10,000.00 loan from BERT MITCHELL on January 24, 1980. BERT MITCHELL has been GREEN's CPA for many years. GREEN stated that a note does exist and that he makes payments to MITCHELL annually. GREEN pays the loan from his account at AMALGAMATED BANK OF NEW YORK and the payments include interest. GREEN borrowed the money for the renovation of 21 S. Street, N.W. MITCHELL is involved in a consortium of CPA firms who were awarded a contract through ETA's Office of National Programs (ONP) in 1979 or 1980. Discretionary Money is involved in this contract. GREEN stated that he did not participate in the awarding or the administration of the contract to BERT MITCHELL. GREEN also received loans from J. ROSS CAMBELL on October 5, 1977 for \$10,000.00 and from ROBERT GILMORE in March 1981 for \$25,000.00. The loan from GILMORE was used to begin GREEN, HERMAN & ASSOCIATES. Neither CAMBELL nor ROSS have ever had contracts with DOL. GREEN and his attorney stated that they would furnish all documentation relative to these loans.

GREEN stated that he has never taken anything of value in exchange for the awarding of a contract; that he never awarded a contract for political contributions or awarded a contract in exchange for subcontracts for GREEN, HERMAN & ASSOCIATES.

At this point, HERMAN reentered the office and both GREEN and HERMAN were questioned regarding the activities of GREEN, HERMAN & ASSOCIATES. GREEN and HERMAN responded as follows:

GREEN, HERMAN & ASSOCIATES was initiated sometime after January 20, 1981. GREEN and HERMAN began conceptualizing the idea right after the election in November and they had a target opening date of March 1, 1981. Both GREEN and HERMAN discussed the idea of their own business, tested the job market and decided to try on their own. They wanted to get away from government contracts and to concentrate primarily on the private sector contracts. The funds needed to initiate the corporation came from two (2) loans. ROBERT GILMORE loaned GREEN, HERMAN & ASSOCIATES \$25,000.00 in March 1981 and JOHN BUSTAMANTE loaned HERMAN \$10,000.00 who invested in into the corporation. BUSTAMANTE's check to HERMAN was written from the TAWASA INVESTMENT CORP., Cleveland, Ohio. BUSTAMANTE has already been repaid with interest. Both GILMORE and BUSTAMANTE are personal friends and are not contractors of DOL.

The deposits into the GREEN, HERMAN & ASSOCIATES bank accounts were identified as follows:

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
1/27/81	\$2,500.00	Loan - Mitchell, Titus & Co.
2/9/81	\$10,000.00	Loan - John Bustomante
2/7/81	\$2,000.00	NCNW
3/4/81	\$25,000.00	Loan - Robert Gilmore
4/14/81	\$12,500.00	Media Systems Inc.
3/13/81	\$12,500.00	Mel Harris & Association
4/27/81	\$12,500.00	Mel Harris & Association

The \$2,000.00 received from NCNW was payment for a training course where GREEN, and HERMAN instructed the NCNW staff relative to CETA regulations.

The \$12,500.00 received from MEDIA SYSTEMS INC. was payment for GREEN, HERMAN and ASSOCIATES refining the audio and visual teaching materials used by MEDIA SYSTEMS. This contract is currently on going.

The \$25,000.00 payment from MEL HARRIS & ASSOCIATES was for consulting services relative to a CETA contract in Mobile, Alabama. MEL HARRIS was awarded the prime contract through the prime sponser (City of Mobile) and not through the National Office. All five (5) members of GREEN, HERMAN's staff were involved with this contract.

GREEN and HERMAN both restated that they never solicited contracts for GREEN, HERMAN & ASSOCIATES while they were employed at DOL.

MEMO TO: LIONEL E. PASHKOFF

FROM: YVONNE CORBETT

SUBJECT: INFORMATION FROM MARTY SQUITIERI RE:
ERNIE GREEN

DATE: August 11, 1981

The following dates, amounts deposited and bank names are submitted for your information re Ernie Green:

<u>Date</u>	<u>Amount</u>	<u>Bank</u>
2/11/77 Loan	10,033.05	Deposited into Amalgamated Bank of New York
10/5/77 <i>Primary Note J. Ross Campbell</i>	10,000.00	National Bank of Washington
6/26/78 <i>Annuity</i>	2,942.01	National Bank of Washington
7/17/78 <i>Tax refund</i>	4,620.00	National Bank of Washington
3/21/79 <i>Travel advance DOL</i>	1,000.00	National Bank of Washington
4/23/79 <i>Tax refund</i>	6,332.00	National Bank of Washington
6/25/79	3,579.42	National Bank of Washington
6/25/79 <i>Loan</i>	25,000.00	Amalgamated Bank of New York
8/29/79	1,928.02	National Bank of Washington
10/12/79	1,305.53	National Bank of Washington
11/13/79 <i>Const loan</i>	10,000.00	United National Bank of Washington
1/4/80 <i>Buck Mitchell</i>	1,253.00	National Bank of Washington
1/24/80 <i>Land loan</i>	10,000.00	National Bank of Washington
1/30/80 <i>Furniture</i>	10,000.00	National Bank of Little Rock Arkansas
3/6/80 <i>DOL</i>	1,000.00	National Bank of Washington
4/10/80 <i>DOL</i>	1,000.00	National Bank of Washington
5/15/80 <i>Loan</i>	3,024.99	Amalgamated Bank of New York
7/7/80 <i>Tax refund</i>	2,375.00	National Bank of Washington
9/2/80 <i>Const loan</i>	6,000.00	United National Bank of Washington

Page Two

Memo to LEP re YEC conversation with M. Squitieri
August 11, 1981

10/21/80	Loan Exp Disput / <i>confer</i>	3,820.65	Amalgamated Bank of New York
11/7/80	<i>Travel advance</i>	2,410.00	National Bank of Washington

(816)374-5941; FTS 758-5941

Regional Investigations Office

December 9, 1981

David Stanley
Assistant United States Attorney
U.S. Attorney's Office
U.S. Courthouse
Constitution Ave. & John Marshall Place, N.W.
Washington, DC 20001

Re: Ernest Green, et al Investigation

Dear Dave:

Reference is made to our discussion on December 3, 1981, in your office.

1. Attached for your review with regard to a possible 18 U.S.C. 1001 violation in connection with Ernest Green's March 20, 1981 Financial Disclosure Report submission are the following written Reports of Interview:

Seth Zenman on 11/6/81
Charles Brown on 11/6/81
Carin Ann Clauss on 11/7/81

Your attention is also directed to Ernest Green's interview of 8/18/81, the 11/8/79, \$10,000 Mitchell check; the 8/24/80 \$6,000 Mitchell check; the Mitchell-Green promissory notes and the Green 1979, 1980, and 2/20/81 Financial Disclosure Statements with accompanying instructions previously furnished you.

2. With regard to a possible violation of 18 U.S.C. 201, involving monies given Mr. Green by SBA-DOL SA Contractor Bert N. Mitchell, attached are copies of the following written Reports of Interview:

Nik Edes on 10/27/81	Sandy Cohen on 10/28/81
Paul Jensen on 10/28/81	Lindsay Campbell on 11/6/81
Steve Puterbaugh on 10/23/81	Virginia Reed on 10/23/81
Gail McKinney on 10/23/81, 9/25/81	Daniel Cox on 10/23/81
Harold Bobroff on 11/20/81	Arlene Gilliam on 11/10/81
Paul Mayrand on 9/25/81	Joseph Handzo on 11/16/81
Paul Bogosian on 11/5/81	T. James Walker on 11/25/81
Charles Knapp on 10/29/81	Lillie Watts on 10/27/81
Carolyn Clark on 10/26/81	William J. Kacvinsky on 3/9/81
Jim Moriarty on 3/05/81	& 10/22/81
Michael McHale on 10/15/81	Joseph Hallock on 10/07/81

Also attached is a copy of a 7/23/80 letter to the SBA from Lamond Godwin concerning Mitchell Titus, a 11/10/80, Memo of Negotiation with attachments and an organizational chart and DOL personnel lists.

Other pertinent reports of interview including those of the ETA Federal Representative who monitored the Mitchell Titus contract, Linda Maldonado, Fed Rep/Supervisor Jan Sten, John Waller and a number of others are still in typing and will be provided in the very near future as will the lab report concerning the Mitchell checks and promissory notes upon soon expected completion of the examinations. SA Ernest Repetti in New York tells me Attorney Bobroff has been recontacted and that he indicated to Repetti he would be available sometime after returning from England 12/14/81 to review his file and provide a copy of the promissory note and the precise date several months ago he spoke with Mitchell.

3. With regard to a possible 18 U.S.C. 208 financial conflict of interest violation involving Ernest Green, Lamond Godwin, and Alexis Herman, numerous DOL ETA contract and SBA contract files have been reviewed and pertinent individuals have been interviewed and to date, no evidence of financial interest in a DOL/SBA contractor/grantee firm during the period 1977 to early 1981 has been uncovered.

At the conclusion of your trial later this week, I hope to provide you with additional information and discuss possible further Grand Jury development of the investigation with you.

Sincerely,

William E. Zleit
Kansas City Regional Investigations Office

GREEN Loans

<u>Date Deposited</u>	<u>Amount Deposited</u>	<u>Source</u>
10/5/77	\$10,000.	J. ROSS CAMPBELL
4/28/79	20,000	AMALGAMATED BK OF NY
5/15/80	\$3,708.	" "
11/13/79	\$10,000	MITCHELL UNITED NATL BK OF WASH
9/2/80	6,000	MITCHELL UNITED NATL BK OF WASH.
9/79	73,000	UNION NATL BK OF WASH.
4/27/81	Loan Application - UNION NATL BK OF WASH - Don't know if loan was effected.	

ALEXIS HERMAN

3/81	\$10,000	JOHN BUSTOMANTE
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GREEN HERMAN & ASSOC.

1/27/81	\$2500	MITCHELL, TITUS & CO.
3/4/81		
2/9/81	25,000	ROBERT GILMORE

TX 2/1

Amalgamated Loans (GREEN)

I. Loan # 0137246
\$3,708.00 - 5/15/80 - 36 MOS @ \$103. per month
Unsecured

II. Coop Loan

A) 12/10/75 - \$23,000

Terms 3 yrs @ 8.25% to renegotiate in 3 yrs.

B) 9/22/76 - additional \$2500
making outstanding balance - \$6,611.10

C) 6/28/79 - additional \$20,000
which \$2,839.51 was used to pay existing balance.
Terms: 9.5% @ 208.85 per month to be
renegotiated 8/1/82

Present Balance - \$18,731.16

III Requested a \$4,000 bridge loan on 10/8/81.
Loan has not yet been approved.



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, D. C.		DOL Program ETA		
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)		Date of Report 9/1/81	Case Number 30-0578-0002		
Special Agent Martin Squitieri		Reviewers' Initials			
		Date Reviewed			
		Regional Office	Arlington Field Office, Philadelphia Region		

1) This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

2) GREEN and HERMAN were interviewed at the United States Attorneys Office on August 18, 1981. GREEN identified several of the large deposits into his personal accounts as being funds from such sources as tax refunds, reimbursements from the government etc. GREEN's explanations of the deposits have been corroborated with the available documentation submitted by the banks.

3) GREEN explained the deposits listed below as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
11/13/79	\$10,000	Loan - Bert Mitchell
1/24/80	10,000	Loan - Bert Mitchell
9/2/80	6,000	Loan - Bert Mitchell
10/5/77	10,000	Loan - J. Ross Campbell
2/9/81	10,000	Loan - John Bustomante
1/27/81	2,500	Loan - Mitchell, Titus & Co.
3/2/81	25,000	Loan - Robert Gilmore

For Official Use Only

This report and attachments are the property of the Office of Inspector General, U.S. Department of Labor. Neither it nor its contents may be distributed outside this agency without headquarters approval.

4. GREEN stated that promissory notes do exist for each of the aforementioned loans and that they will be furnished to me along with documentation indicating that the loans are being paid with interest. On August 20, 1981, GREEN's Attorney stated that he would furnish the above stated information in approximately one (1) week. Nothing has been received to date.

5. GREEN stated that BERT MITCHELL has been his CPA for many years. He stated that MITCHELL is involved in a consortium of CPA firms who were awarded a contract through ONP in 1979 or 1980. GREEN stated that he did not participate in the awarding or administration of the contract to this consortium.

6) A review of MITCHELL's personal financial statements which he submitted to SBA for 8A Certification indicates no mention of notes receivable nor does it indicate that MITCHELL had a net worth equal to the amount paid to GREEN.

7) A review of GREEN's financial statement which he submitted to the NATIONAL BANK OF WASHINGTON as part of a loan application indicated no mention of notes payable.

8) A review of the ETA contract and fed rep files relative to GARRETT SULLIVAN & CO., and MITCHELL, TITUS & CO., indicate that an aggregate amount of over \$8 million in contracts and modification were awarded to the two (2) entities while GREEN was Assistant Secretary.

9) The ETA files also indicate that GREEN and GODWIN exerted pressure on several ETA employees to award the initial contract and in awarding modifications. Several ETA employees will be interviewed during the next reporting period.

11) The NATIONAL SHERATON HOTEL was contacted and their records indicate that GREEN, HERMAN & ASSOCIATES did conduct a training seminar at the hotel for the NATIONAL COUNCIL OF NEGRO WOMEN (NCNW). They furnished documentation indicating the dates and attendees of the training session which corroborates the statements made by DOROTHY HEIGHT, NCNW, that the \$2,000.00 payment to GREEN, HERMAN & ASSOCIATES was payment for a training session they conducted.

It is recommended that this case remain open and that a complete analysis of all loans to GREEN and a complete in depth financial analysis of GODWIN be completed.


Martin Squitieri
Special Agent

U.S. DEPARTMENT OF LABOR
Office of the Secretary
Office of Inspector General

REPORT OF INTERVIEW

Date of Interview August 18, 1981

On this date, a meeting was conducted with ERNEST GREEN; ALEXIS HERMAN; LIONEL PASHKOFF, Representative; RICHARD BIEZER, AUSA and MARTIN SQUITIERI, Special Agent present. BIEZER opened the meeting by advising GREEN and HERMAN that nothing they said would be used against them in grand jury or other court proceedings and that the purpose of the meeting was to receive answers to questions which would be corroborated in an attempt to expedite the completion of the investigation. BIEZER stated that the thrust of the interview would be focused upon funds deposited to personal accounts; contracts of GREEN, HERMAN & ASSOCIATES and their campaign activity for President CARTER. BIEZER than suggested that the interviews of GREEN and HERMAN be conducted separately and PASHKOFF agreed. GREEN left the room and I proceeded to interview HERMAN as follows:

Her full name is ALEXIS MARGARET HERMAN (SS# (b)(6)) (DOB: 7/16/47). She was employed by DOL as Director of the Womens Bureau from March 23, 1977 through January 20, 1981. Her employment at DOL was one of continuous service with no break in service. She actually began working at DOL approximately two (2) weeks prior to March 23, 1977 as a consultant while she was waiting to be confirmed by Congress. Her duties as Director of the Womens Bureau were Program Development; International Affairs; Coordination of Administrative Policy; and Legislation and Economic Statistics.

HERMAN also served as Special Assistant to the Secretary which gave her direct access to him. HERMAN was the Director of a National Program based in Atlanta, Ga. to place women in the job market from 1972 up until 1975 at which time they merged with RTP. She elected to remain in Atlanta as Director of that office rather than transfer to RTP's New York Headquarters. RTP pioneered outreach programs for blue collar workers. The purpose of the merger was to include white collar workers in the programs. In 1980, HERMAN was appointed by President CARTER to the National Consumer Cooperative Bank Board which was to fund and develop community coops. HERMAN met GREEN in 1971 at a conference in Colorado while he was President of RTP.

By Special Agent MARTIN SQUITIERI *MS*
At Washington, D.C.

Date Dictated 8/18/81
Date Transcribed 8/26/81
File No. 30-0578-0002

HERMAN stated that she did not have procurement authority and that she never became involved with a selecting panel. HERMAN would "make a pitch" by recommending programs to be considered by DOL. Her primary objective was to develop programs and contact the various program heads in an attempt to get the program funded. The Womens Bureau does not have contracting authority.

HERMAN was asked by the White House and the Secretary of Labor to campaign for President CARTER. JACK WATSON initially contacted her and instructed her as to how to handle it procedurally. HERMAN was worried about the legality of campaigning while still employed by DOL. She was advised by the Solicitor (KAREN CLAUSS) and by the White House Counsel that any campaigning should be done while she was on leave from her position. HERMAN took annual leave each time she went on a campaign trip. HERMAN stated that many speeches could have been misconstrued since she often addressed CARTER's record. HERMAN campaigned from late September 1980 through the election. She was involved in approximately ten (10) trips for which she was reimbursed approximately \$1000.00. She submitted travel vouchers to the travel desk in the campaign office of 2000 L. Street, N.W. HAMILTON JORDAN operated the campaign office.

HERMAN maintains bank accounts at GULF FEDERAL SAVINGS, Mobile Alabama; FIRST NATIONAL BANK OF ATLANTA; AMERICAN FEDERAL SAVINGS, MOBILE ALABAMA and UNION FIRST BANK OF WASHINGTON. She also maintains a mortgage at PERPETUAL AMERICAN FEDERAL SAVINGS.

HERMAN stated that many contracts were awarded in January 1981 because of a tremendous backlog of contracts that were waiting to be processed. A backlog of contracts arose from the fact that deadlines were never met. Most of the awarded contract were already approved by the Sole Source Board and were merely awaiting administrative action. Some of the contracts needed to get the approval of the Sole Source Board as late as December 1980 - January 1981. She personally appeared before the Board to get the NATIONAL COUNCIL OF NEGRO WOMEN (NCNW) refunded since they were performing satisfactorily on their existing contract for two (2) years prior. The contracts were pushed near the end of the administration because historically the new administrations scrap the old programs and begin on a new agenda.

HERMAN stated that she never received anything of value in exchange for the awarding of a contract; that contracts were not awarded in exchange for political contributions and that contracts were not awarded in exchange for sub-contracts to GREEN, HERMAN & ASSOCIATES.

At this point, HERMAN departed the office and GREEN entered. GREEN responded to my questions as follows:

His full name is ERNEST GIDEON GREEN (SS# [REDACTED] (b)(6) (DOB: 9/22/41). He was employed as Assistant Secretary of ETA from March 3, 1977 through January 20, 1981. GREEN took a leave of absence from Mid-September 1980 until November 6, 1980 to campaign for President CARTER. He was asked by ROBERT STRAUSS to conduct the campaigning and was permanently assigned to the New York State Reelection Committee. GREEN cleared this action with the DOL Solicitor (KAREN CLAUSS) and the White House Counsel (LLOYD CUTLER). GREEN was paid approximately four to five thousand dollars for his campaigning efforts. During the time GREEN was on leave of absence, DOL continued to pay him. GREEN reimbursed DOL the funds erroneously paid to him.

As Assistant Secretary of ETA, GREEN was the Chief Operating Official for ETA to the Secretary. GREEN prepared a budget for Congress stating how the Title III & IV funds were to be expended. If the budget passed through the Congress, it then had to get the approval of the Title III and IV review committee. The review committee consisted of LAMOND GODWIN; CHUCK KNAPP; BOB TAGGART and TIM BARNICLE. The budget was "fairly specific" as to where and how the appropriated funds should be expended. The Sole Source Board was the final approval within DOL. The contracts awarded late in the administration were funds that were already committed to contractors who had demonstrated effectiveness. GREEN was on leave of absence for six (6) weeks as were other top officials for various periods of time during the campaign. The absence of the top officials created a backlog of contracts, which were already approved and were good programs. Approximately 90-95% of the awarded contracts were contracts to be extended because of prior commitments and demonstrated effectiveness. There were not very many new contracts awarded late in the administration. GREEN stated that there was no change in his activities after the election in November and that the contracts which were pending were executed.

GREEN stated that he maintains bank accounts at AMALGAMATED BANK OF NEW YORK; NATIONAL BANK OF WASHINGTON; UNITED NATIONAL BANK OF WASHINGTON; NATIONAL BANK OF LITTLE ROCK and CARVER FEDERAL SAVINGS & LOAN ASSOCIATION.

GREEN presented the attached list of explanations of several deposited items to his bank accounts. GREEN received a \$10,000.00 loan from BERT MITCHELL on January 24, 1980. BERT MITCHELL has been GREEN's CPA for many years. GREEN stated that a note does exist and that he makes payments to MITCHELL annually. GREEN pays the loan from his account at AMALGAMATED BANK OF NEW YORK and the payments include interest. GREEN borrowed the money for the renovation of 21 S. Street, N.W. MITCHELL is involved in a consortium of CPA firms who were awarded a contract through ETA's Office of National Programs (ONP) in 1979 or 1980. Discretionary Money is involved in this contract. GREEN stated that he did not participate in the awarding or the administration of the contract to BERT MITCHELL. GREEN also received loans from J. ROSS CAMBELL on October 5, 1977 for \$10,000.00 and from ROBERT GILMORE in March 1981 for \$25,000.00. The loan from GILMORE was used to begin GREEN, HERMAN & ASSOCIATES. Neither CAMBELL nor ROSS have ever had contracts with DOL. GREEN and his attorney stated that they would furnish all documentation relative to these loans.

GREEN stated that he has never taken anything of value in exchange for the awarding of a contract; that he never awarded a contract for political contributions or awarded a contract in exchange for subcontracts for GREEN, HERMAN & ASSOCIATES.

At this point, HERMAN reentered the office and both GREEN and HERMAN were questioned regarding the activities of GREEN, HERMAN & ASSOCIATES. GREEN and HERMAN responded as follows:

GREEN, HERMAN & ASSOCIATES was initiated sometime after January 20, 1981. GREEN and HERMAN began conceptualizing the idea right after the election in November and they had a target opening date of March 1, 1981. Both GREEN and HERMAN discussed the idea of their own business, tested the job market and decided to try on their own. They wanted to get away from government contracts and to concentrate primarily on the private sector contracts. The funds needed to initiate the corporation came from two (2) loans. ROBERT GILMORE loaned GREEN, HERMAN & ASSOCIATES \$25,000.00 in March 1981 and JOHN BUSTAMANTE loaned HERMAN \$10,000.00 who invested in into the corporation. BUSTAMANTE's check to HERMAN was written from the TAWASA INVESTMENT CORP., Cleveland, Ohio. BUSTAMANTE has already been repaid with interest. Both GILMORE and BUSTAMANTE are personal friends and are not contractors of DOL.

The deposits into the GREEN, HERMAN & ASSOCIATES bank accounts were identified as follows:

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
1/27/81	\$2,500.00	Loan - Mitchell, Titus & Co.
2/9/81	\$10,000.00	Loan - John Bustomante
2/7/81	\$2,000.00	NCNW
3/4/81	\$25,000.00	Loan - Robert Gilmore
4/14/81	\$12,500.00	Media Systems Inc.
3/13/81	\$12,500.00	Mel Harris & Association
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The \$2,000.00 received from NCNW was payment for a training course where GREEN, and HERMAN instructed the NCNW staff relative to CETA regulations.

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GREEN and HERMAN both restated that they never solicited contracts for GREEN, HERMAN & ASSOCIATES while they were employed at DOL.

U.S. DEPARTMENT OF LABOR
Office of the Secretary
Office of Inspector General

REPORT OF INTERVIEW

Date of Interview August 20, 1981

On this date, I telephoned LIONEL PASHKOFF and requested further documentation relative to loans made by GREEN, HERMAN and GREEN, HERMAN & ASSOCIATES and to bank accounts maintained by HERMAN at AMERICAN FEDERAL SAVINGS AND GULF FEDERAL SAVINGS.

The documentation relative to the loans is to include promissory notes and cancelled checks reflecting payments on the loans. The loans which further documentation was requested are as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
11/13/79	\$10,000	Bert Mitchell
1/24/80	\$10,000	Bert Mitchell
9/2/80	\$ 6,000	Bert Mitchell
10/5/77	\$10,000	J. Ross Campbell
2/9/81	\$10,000	John Bustomante
1/27/81	\$2,500	Mitchell, Titus & Co.
3/2/81	\$25,000	Robert Gilmore

The documentation relative to the bank accounts is to include all bank statements for the years 1977 to present.

Nothing further was discussed.

By Special Agent Martin Squitieri MS
At Arlington, Virginia

Date Dictated 8/20/81
Date Transcribed 8/26/81
File No. 30-0578-0002

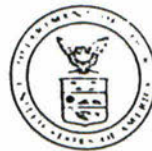
1. Contractor: E. H. White
2. Case File: ERNEST GREEN et al
(Headquarters & Philadelphia)
(OI-0524-0001 & 30-0578-0002)
3. Allegation:
4. Source:
5. Summary of Investi- <
gation to Date:
6. Proposed Action:

occurred after he left office
Bill will handle

[Solar America -
any Relationship to Green Case?
1. Paul Hernandez - Dallas jacket
Case?
Will monitor follow-up

1. Contractor: E. H. White
2. Case File: ERNEST GREEN et al
(Headquarters & Philadelphia)
(OI-0524-0001 & 30-0578-0002)
3. Allegation:
4. Source:
5. Summary of Investigation to Date:
6. Proposed Action:

al
and



October 1, 1981

MEMORANDUM FOR: A.M. STATHAM
Assistant Inspector General
Investigations

FROM: ROBERT M. MCKEE *R*
Special Agent-in-Charge
Philadelphia RIO

SUBJECT: TRANSFER OF ERNEST GREEN CASE (30-0578-0002)
TO HEADQUARTERS/WILLIAM ZLEIT

The purpose of this memorandum is to effect transfer of the ERNEST GREEN case to Headquarters to be managed and worked by Bill Zleit, pursuant to your instructions on September 29, 1981.

To date the investigation has uncovered evidence of conflict of interest relating to loans/gifts from BERT MITCHELL to ERNEST GREEN. The Agents on the 6(e) Disclosure List and currently working on this investigation are the following: Martin Squitieri, Joan Nugent, Ernest Ripetti (New York), Phil Walker (Atlanta), Whitney Adams (Chicago), Elaine Trimble (Dallas), and Wayne Padgett (San Francisco). Attached for your information are comments or corrections to the summary sheets that you provided me which show the various allegations and summary of activity on these allegations to date: corrections or comments are made in ink and are made on the five pages I have numbered one through five. Also, if you want the related investigation on ASSOCIATION OF MINORITY CONTRACTORS (AMC) to be transferred with the GREEN case please advise me. It is alleged that the White House influenced LAMOND GODWIN to grant AMC a contract in return for CAREY's contribution to the Carter/Mondale Campaign (CAREY is the President of AMC). To date, the AMC investigation has not received much attention because of Agents in the Arlington Office being assigned to various Headquarters details and other workload priorities. Our plan on the AMC investigation was to have Bob Curtis's office contract a CPA firm to do a complete analysis of

their records and bank accounts in Fiscal Year 1982 when new funds for CPA Contracts became available.

Richard Beizer, Chief of the Fraud Division at the U.S Attorney's, Office, expressed the same surprise and dissapointment as I did that the case was being transferred since we were both of the opinion that Marty was doing a good job, and until my discussion with you on September 29, 1981 I (or Beizer) was not previously advised or aware that anyone at Headquarters was displeased with the manner in which Agent Squitieri was handling this investigation.

The files for this case are located in the Arlington Office and will remain there for Bill Zleit's convenience, unless he wants them located elsewhere in which case I will see that they are transferred. I and my staff will accommodate Bill as much as possible, and I will provide him with any manpower he feels necessary to assist him in the investigation. The one manpower exception I would like to make would be Agent Squitieri: he will be available for whatever briefing Bill feels is necessary, but after this briefing I would prefer utilizing him to supervise the office and Agents in the Arlington Office. He is the best Agent I have in that office, and the need for a good, on-site Team Leader is drastically needed in that office (considering the lack of experience and the development needed by many of the Agents in that office).

Agent Squitieri is preparing a final report updating events on this investigation and will close out our case to Headquarters case number OI-0524-0001.

Attachment - *Broken out to folders at HQ*

bcc: Thomas F. McBride
Inspector General



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, D. C.		DOL Program ETA	
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)	Reviewers' Initials	<i>fm</i>		
	Date Reviewed	7/8/81		
Special Agent Martin Squitieri	Regional Office Arlington Field Office, Philadelphia Region			

1) This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

2) GREEN and HERMAN were interviewed at the United States Attorneys Office on August 18, 1981. GREEN identified several of the large deposits into his personal accounts as being funds from such sources as tax refunds, reimbursements from the government etc. GREEN's explanations of the deposits have been corroborated with the available documentation submitted by the banks.

3) GREEN explained the deposits listed below as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
11/13/79	\$10,000	Loan - Bert Mitchell
1/24/80	10,000	Loan - Bert Mitchell
9/2/80	6,000	Loan - Bert Mitchell
10/5/77	10,000	Loan - J. Ross Campbell
2/9/81	10,000	Loan - John Bustomante
1/27/81	2,500	Loan - Mitchell, Titus & Co.
3/2/81	25,000	Loan - Robert Gilmore

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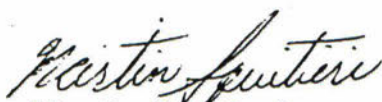
4. GREEN stated that promissory notes do exist for each of the aforementioned loans and that they will be furnished to me along with documentation indicating that the loans are being paid with interest. On August 20, 1981, GREEN's Attorney stated that he would furnish the above stated information in approximately one (1) week. Nothing has been received to date.
5. GREEN stated that BERT MITCHELL has been his CPA for many years. He stated that MITCHELL is involved in a consortium of CPA firms who were awarded a contract through ONP in 1979 or 1980. GREEN stated that he did not participate in the awarding or administration of the contract to this consortium.
- 6) A review of MITCHELL's personal financial statements which he submitted to SBA for 8A Certification indicates no mention of notes receivable nor does it indicate that MITCHELL had a net worth equal to the amount paid to GREEN.
- 7) A review of GREEN's financial statement which he submitted to the NATIONAL BANK OF WASHINGTON as part of a loan application indicated no mention of notes payable.
- 8) A review of the ETA contract and fed rep files relative to GARRETT SULLIVAN & CO., and MITCHELL, TITUS & CO., indicate that an aggregate amount of over \$8 million in contracts and modification were awarded to the two (2) entities while GREEN was Assistant Secretary.
- 9) The ETA files also indicate that GREEN and GODWIN exerted pressure on several ETA employees to award the initial contract and in awarding modifications. Several ETA employees will be interviewed during the next reporting period.

10) A . . .

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11) The NATIONAL SHERATON HOTEL was contacted and their records indicate that GREEN, HERMAN & ASSOCIATES did conduct a training seminar at the hotel for the NATIONAL COUNCIL OF NEGRO WOMEN (NCNW). They furnished documentation indicating the dates and attendees of the training session which corroborates the statements made by DOROTHY HEIGHT, NCNW, that the \$2,000.00 payment to GREEN, HERMAN & ASSOCIATES was payment for a training session they conducted.

It is recommended that this case remain open and that a complete analysis of all loans to GREEN and a complete in depth financial analysis of GODWIN be completed.


Martin Squitieri
Special Agent

Mr. Stautenberg, 7/9/51
m

attached summary of
reports relating to
last minute contracting by
Ernie Green - former Asst.
Secretary for E.T.A. per
Mr. McBride's request.

Mike Terwoag
357-0492

Summary of Status Reports:

30-0578-0002
Ernie Green
ETA

Report Date

Summary

4/1/81 - ASI. Case opened based on information from ETA that on 1/19 and 1/20 former Assistant Secretary Ernie Green awarded a number of contracts with insufficient documentation.

4/10/81 - Lead sent to Dallas RIO requesting examination of records related to certain contractors suspected of having connections with Green and other high-level DOL officials. Similar lead sent to Chicago RIO, Denver RIO, and Atlanta RIO.

4/14/81 - ETA employees were interviewed and contract files reviewed. A universe of 45 contractors, 160 contracts, and 3 billion dollars was determined. A list of Carter/Mondale campaign contributors was requested. A mail cover was established on Green, Lamond Godwin, and Alexis Herman to determine the name of the company they are allegedly owners of and any contacts with them by the above 45 contractors.

5/1/81- The name of the consulting firm is determined to be Green, Herman and Associates, Inc. It was incorporated on January 21, 1981, and the officers are Green, Alexis Herman (former Director, Women's Bureau), Eula Bingham (former Assistant Secretary of OSHA), and Carin Clauss (former Solicitor of Labor). A The data on campaign contributors was received. Records of toll telephone calls were received for both their home phones and their phones at DOL.

6/1/81 -

The corporate records of Green, Herman and Associates were received.

k

Results of the mail cover were obtained. An additional lead was sent to Chicago relative to a known contractor with Green, Herman and Associates.

7/1/81 -

All of the ETA federal representatives involved in administering the 160 contracts to the 45 contractors have been interviewed. Payroll and personnel records for Green, Godwin, and Herman have been obtained.



Type of Report ☒ Preliminary ☐ Special ☐ Final ☐ Supplemental	City/State of Investigation Washington, D. C. Date of Report 7/1/81	DOL Program ETA Case Number 30-0578-0002
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)	Reviewers' Initials D E S	
Special Agent Martin Squitieri	Date Reviewed 7/6/81	
	Regional Office Arlington Field Office, Philadelphia Region	

This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

Since the last report, the investigation has progressed as follows:

1. All of the federal representatives (fed reps) involved in the administration of the contracts awarded to the forty five (45) contractors were interviewed. The interviews revealed no specific allegations relative to the awarding or administration of the contracts. Several fed reps stated that the "last minute" awarding of contracts was a result of a backlog of contracts in the pipeline.
2. A detailed analysis of the information and documentation secured by the review of the ETA contract files has been completed. The analysis is useful in organizing the voluminous amounts of documents to a workable system and in identifying individuals and entities involved in each of the contracts.
3. DOROTHY HEIGHT, President of NATIONAL COUNCIL OF NEGRO WOMEN (NCNW), was interviewed and she stated that the allegations of a "last minute giveaway" is the result of a racist newspaper article. She stated that the contracts awarded to NCNW were in the ETA pipeline for long periods of time and she furnished documentation so indicating.

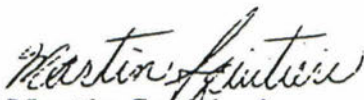
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4. Additional mail cover data was received from the U. S. Postal Service relative to GREEN, GODWIN and HERMAN. This data reveals the contractors and financial institutions they are in contact with.
5. Payroll Records, Personnel Folders and Financial Disclosure Reports relative to GREEN, GODWIN and HERMAN have been secured from the appropriate offices.
- 6.

It is recommended that this case remain open and that a complete in depth financial analysis be completed relative to each of the individuals.


Martin Squitieri
Special Agent

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Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, D. C. ETA Date of Report Case Number 7/1/81 30-0578-0002
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)	Reviewers' Initials Date Reviewed
Special Agent Martin Squitieri	Regional Office Arlington Field Office, Philadelphia Region

This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

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5. Payroll Records, Personnel Folders and Financial Disclosure Reports relative to GREEN, GODWIN and HERMAN have been secured from the appropriate offices.

It is recommended that this case remain open and that a complete in depth financial analysis be completed relative to each of the individuals.

Martin Squitieri
Martin Squitieri
Special Agent

*Grand Jury Info -
Restrict Circulation*



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, D. C. Date of Report 6/1/81	DOL Program ETA Case Number 30-0578-0002
Subject ERNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)	Reviewers' Initials Date Reviewed 6-7-81	
Special Agent Martin Squitieri	Regional Office Arlington Field Office Philadelphia Region	

This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

Since the last report, the investigation has progressed as follows:

1. A review of the ETA contract files relative to all contracts awarded to the forty five (45) contractors is complete. The review reveals the individuals involved in the negotiations and the awarding of the contracts for both ETA and the contractors, the background of the individuals, instances where other contractors contest the awarding of the contracts and various general information.
2. A detailed analysis of the information and documentation secured by the review of the ETA contract files is approximately 50% complete. The analysis is identifying the fed reps assigned to each of the contracts and is organizing the voluminous amounts of documents to a workable and useful system.

g. The records include all bank statements and attachments, cash disbursements journal, all contracts, statement of stockholders' equity and loan records.

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4. An investigative lead was sent to the Chicago Regional Investigative Office requesting that a Special Agent contact MEL HARRIS & ASSOCIATES INC., relative to payments made to GREEN, HERMAN & ASSOCIATES and to secure all documentation relative to the transaction(s).

5. The corporate records reflect that GREEN maintained checking accounts at UNITED NATIONAL BANK OF WASHINGTON and NATIONAL BANK OF WASHINGTON and that HERMAN maintained checking accounts at FIRST AMERICAN BANK OF WASHINGTON. , ved

1:

6. Records furnished by FIRST AMERICAN BANK OF WASHINGTON indicate that HERMAN maintained three (3) checking accounts and one (1) savings account at that bank. A brief review of the bank records reveals that HERMAN made several large deposits to two (2) of the accounts during the first three (3) months of 1981. These deposits appear to be inconsistent with the pattern of deposits in earlier years. A detailed analysis of all the accounts will be completed.

7. Mail Cover data from the U.S. Postal Service was received relative to GODWIN and HERMAN for the period May 12, 1981 through May 20, 1981. This data reveals the contractors and financial institutions they are in contact with.

It is recommended that this case remain open and that a complete in-depth financial analysis be completed relative to each of the individuals.



Martin Squitieri
-Special Agent



Type of Report		City/State of Investigation		DOL Program	
☐ Preliminary	☐ Final	Washington, D. C.		ETA	
☒ Special	☐ Supplemental	Date of Report		Case Number	
		5/19/81		30-0578-0002	
Subject		Reviewers' Initials			
ERNEST GREEN (Alleged conflict of LAMOND GODWIN interest in awarding ALEXIS HERMAN ETA contracts)		DEJ [Signature]			
		Date Reviewed			
		5/20/81 6-581			
Special Agent		Regional Office			
MARTIN SQUITIERI		Philadelphia Field Office, Philadelphia Region			

- 1 This request relates to the alleged conflict of interest in awarding contracts through the CETA, Office of National Projects (ONP), by ERNEST GREEN, former Assistant Secretary of ETA; LAMOND GODWIN, former director of ONP and ALEXIS HERMAN, former director of the Women's Bureau. It is alleged that preferential treatment was extended to certain contractors by GREEN, GODWIN and/or HERMAN in exchange for political and/or financial considerations. *By _____ from _____ to _____*
- 2 It has been determined that GREEN and HERMAN have complete ownership of a consulting firm in Washington, D. C. GREEN, HERMAN and ASSOCIATES INC. was authorized to conduct business as a corporation in the District of Columbia on January 21, 1981.
- 3 *T* GREEN, HERMAN and ASSOCIATES INC. entered into a subcontracting arrangement with MEL HARRIS & ASSOCIATES INC., 3226 Nevada Avenue North, Crystal Minnesota 55427 (Tel# 612-537-0622). Attachment I is a photocopy of a letter dated April 3, 1981 reflecting the subcontracting agreement.
- 4 It is requested that a Special Agent contact MEL HARRIS and secure photocopies of all documentation relative to this subcontract. The secured documents should include but not be limited to all contracts, subcontracts and any other formal agreement entered into with GREEN, HERMAN and ASSOCIATES; a description of work to be performed; the names of individuals to perform the work; billing invoices; the front and back of the cancelled checks or other negotiable instruments that constituted payment etc.
- 5 The Special Agent should also interview MEL HARRIS relative to his relationship with GREEN and HERMAN. Attachment II is a suggested format to be used in interviewing HARRIS.
- 6 Thank you for your assistance in the matter. If further assistance is needed, please contact Special Agent Martin Squitieri at FTS 235-2420.

Martin Squitieri
 Martin Squitieri
 Special Agent

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Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental		City/State of Investigation Washington, D.C.		DOL Program ETA	
		Date of Report 6/1/81		Case Number 30-0578-0002	
Subject EPNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HEFMAN contracts)		Reviewers' Initials RSC			
		Date Reviewed 6/2/81			
Special Agent Martin Squitieri		Regional Office Arlington Field Office Philadelphia Region			

This case is based upon information supplied by ETA that EPNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HEFMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HEFMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

Since the last report, the investigation has progressed as follows:

1. A review of the ETA contract files relative to all contracts awarded to the forty five (45) contractors is complete. The review reveals the individuals involved in the negotiations and the awarding of the contracts for both ETA and the contractors, the background of the individuals, instances where other contractors contest the awarding of the contracts and various general information.
2. A detailed analysis of the information and documentation secured by the review of the ETA contract files is approximately 50% complete. The analysis is identifying the fed reps assigned to each of the contracts and is organizing the voluminous amounts of documents to a workable and useful system.

The records include all bank statements and attachments, cash disbursements journal, all contracts, statement of stockholders' equity and loan records.

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7. Mail Cover data from the U.S. Postal Service was received relative to GODWIN and HERMAN for the period May 12, 1981 through May 20, 1981. This data reveals the contractors and financial institutions they are in contact with.

It is recommended that this case remain open and that a complete in-depth financial analysis be completed relative to each of the individuals.



Martin Squitieri
Special Agent

UNITED STATES
DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535



Type of Report ☒ Preliminary ☐ Final ☐ Special ☐ Supplemental	City/State of Investigation Washington, D. C. Date of Report 5/1/81	DOL Program ETA Case Number 30-0578-0002
Subject EFNEST GREEN (Alleged improprieties LAMOND GODWIN in the awarding of ETA ALEXIS HERMAN contracts)	Reviewers' Initials DSD Date Reviewed 5/6/81	
Special Agent Martin M. Squitieri	Regional Office Arlington Field Office, Philadelphia Region	

This case is based upon information supplied by ETA that EFNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

The investigation at this point concerns itself with a multitude of issues and allegations. The thrust of our investigative efforts at this point is to narrow the scope of the investigation by gathering as much data as possible relative to the contracts, contractors and subjects. Since the last report, the investigation has progressed as follows:

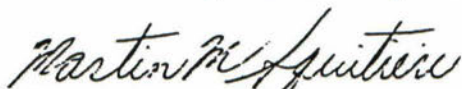
- 1) A review of the ETA contract files relative to all contracts awarded to the forty five (45) contractors is approximately 50% complete. The review reveals the individuals involved in the negotiations and the awarding of the contracts for both ETA and the contractors, the background of the individuals, instances where other contractors contest the awarding of the contracts, and various general information.
- 2) A computer printout was received from the Federal Election Commission (FEC) indicating the names and addresses of individuals who contributed in excess of \$200.00 to the CARTER/MONDALE Presidential Campaign. A more detailed review of the Political Activity Group Contributors has been initiated. The latter review will identify the companies who contributed to the campaign.
- 3) Transcripts of toll telephone calls have been received from GSA relative to the FTS lines of the respective subjects and from C & P Telephone Co. relative to their home telephones. This data is awaiting a more detailed review.

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- 4) Third party interviews revealed that GREEN and HERMAN established a consulting firm in Washington, D. C. on January 21, 1981. GREEN, HERMAN & ASSOCIATES INC. is comprised of GREEN, HERMAN, EULA BINGHAM, (former Assistant Secretary of OSHA) and KAREN CLAUSS (former Solicitor). The Articles of Incorporation have been secured and they indicate that the entity was incorporated in the State of Delaware and has reciprocity in the District of Columbia

It is recommended that the gathering of pertinent information be continued in an attempt to identify more specific allegations in the case.



Martin M. Squitieri
Special Agent



Type of Report	City/State of Investigation	DOL Program		
☒ Preliminary ☐ Final	Washington, D. C.	ETA		
☐ Special ☐ Supplemental	Date of Report	Case Number		
	5/1/81	30-0578-0002		
Subject	Reviewers' Initials			
ERNEST GREEN (Alleged improprieties			RC	
LAMOND GODWIN in the awarding of ETA	Date Reviewed			
ALEXIS HERMAN contracts)			5-581	
Special Agent	Regional Office			
Martin M. Squitieri	Arlington Field Office Philadelphia Region			

This case is based upon information supplied by ETA that ERNEST GREEN, the former Assistant Secretary of ETA, made contract awards without sufficient documentation to substantiate the awards. The activity is alleged to have occurred during the evening hours of January 19, 1981 and lasted until the early morning hours of January 20, 1981. He is alleged to have been assisted by LAMOND GODWIN, former Director of ETA's Office of National Programs (ONP) and ALEXIS HERMAN, former Head of the Women's Bureau. It is also alleged that GREEN, GODWIN and HERMAN had financial interest in some of the companies to whom contracts were awarded; that they formed a consulting firm and have been receiving funds by subcontracting from certain of the companies and that certain of the contracts were awarded for political considerations. This case has been given my personal attention with the assistance of Special Agent JOAN NUGENT from March 20, 1981 through the present.

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- 1) A review of the ETA contract files relative to all contracts awarded to the forty five (45) contractors is approximately 50% complete. The review reveals the individuals involved in the negotiations and the awarding of the contracts for both ETA and the contractors, the background of the individuals, instances where other contractors contest the awarding of the contracts, and various general information.
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Martin M. Squitieri

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Special Agent