

MAINE STATE LEGISLATURE

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Augusta, Maine
December 2, 1940

Honorable Franz U. Burkett
Attorney General
State House
Augusta, Maine

Dear Mr. Burkett:

The undersigned who have been employed by the State to act with you in connection with the defalcations of William A. Runnells, formerly State Controller, are unanimous in advising that you accept, on behalf of the State, the adjustment arrived at with counsel for William A. Runnells, Jennie L. Runnells and Edward S. Runnells.

There is, approximately, \$40,000 in the five Safe Deposit boxes in the names of the Runnells family. Counsel for Mrs. Runnells and Edward S. Runnells contend that they can prove that something in excess of \$17,000 of this money is theirs. By independent investigation we find that Mrs. Runnells and Edward have received from other sources, substantial amounts of money, and we have no means of disproving their contention that these amounts, together with other amounts which they contend were received by them from other sources were placed in these boxes and were there at the time these proceedings were instituted. A further difficulty in proving the State's case has been occasioned by the unfortunate death of Mr. Winship. He not being available as a witness, in order to prove the State's case, it would be necessary to utilize as witnesses many of the force of Ernst & Ernst, the auditors who were employed by the State. The expense of that method of trial is obvious.

After considerable negotiation with counsel for the Runnells family, we have arrived at this suggested adjustment, viz:- Out of the forty odd thousand dollars in the boxes, Mrs. Runnells and the brother are to receive \$15,000, the balance is to be paid to the State. The State is also to receive certain stock certificates standing in the name of William A. Runnells, worth approximately, \$2,000; a Packard

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automobile owned by him, and the title to a small lot of real estate. The State is also to retain some \$300 or \$400 which was found in the Runnells home by the officers, and the \$26,420 which was in the brief case previously delivered by Mr. Runnells' counsel to you. After diligent investigation in which we had the assistance of the State Police we have been unable to find any other assets of William A. Runnells.

The State reserves all rights against the members of the Runnells family save only the right to question their title to the \$15,000 to be delivered to Mrs. Runnells and Edward out of the boxes.

We believe that this adjustment arrived at without trial is probably as good as could be reached after long and expensive litigation, and unhesitatingly recommend its acceptance.

Very truly yours,

LAP H