

# MAINE STATE LEGISLATURE

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# **Legislative Record**

**SPECIAL SESSION**

**JULY 22, 1940**

**HOUSE**

Monday, July 22, 1940.

The House met according to adjournment on June 27th, and was called to order by the Speaker.

Prayer by the Rev. Mr. Pressey of Augusta.

Journals of July 7, 1940, and June 27, 1940, read and approved.

House at ease pending arrival of papers from the Senate.

From the Senate: The following Order:

Whereas, the 89th Legislature was called in special session May 23d, 1940, and adjourned on June 7th, 1940, to July 22nd, 1940, at 3 P. M., E. S. T., and

Whereas, the 89th Legislature was called in special session June 26th, 1940, and on June 27th, 1940, adjourned to July 22nd, 1940, at 3 P. M., E. S. T., and

Whereas, at each of said special sessions, various matters were not finally disposed of, now therefore,

**BE IT ORDERED**, the House concurring, that all matters pending before either above mentioned special session of the legislature be now considered pending before the legislature now in session.

**BE IT FURTHER ORDERED**, that the Joint Order (S. P. 707) limiting the introduction of bills and resolves, adopted for the special session of May 23d, 1940, be in effect during this session; (S. P. 767)

Comes from the Senate, read and passed.

In the House:

The **SPEAKER**: Is it the pleasure of the House that the Order have passage in concurrence?

Mr. **COWAN** of Portland: Mr. Speaker, may I ask if that Order applies to both Special Sessions?

The **SPEAKER**: If the gentleman desires the Order read again, the Clerk will read the Order.

Order read again by the Clerk.

Mr. **COWAN**: Mr. Speaker, I did not ask for that; I was referring to the Order referred to in the last part of the Order, a special Order which was passed at the beginning of the first Special Session which was sort of a cloture on the introduction of Bills.

The **SPEAKER**: The Clerk will read Senate Paper 707.

The **CLERK** (reading):

**ORDERED**, the House concurring, that no Bill or Resolve be received by this Legislature unless by unanimous consent in the body in which it is introduced, except as relate directly to the financial condition of the State, the administration of the State government and its several departments, military defense and matters specifically set forth in the Proclamation of the Governor dated May 16 1940, convening this Special Session or referred to in the Governor's Message;

**AND IT IS FURTHER ORDERED**, that any Bill or Resolve which shall be received in either branch of this Legislature by unanimous consent shall be referred to the 90th Legislature if unanimous consent for its reception is not given in the other body in concurrence. These Orders shall not apply to such Bills or Resolves as are intended only to facilitate the business of the 89th Legislature. (S. P. 707).

That Order came from the Senate, read and passed and was in the House read and passed in concurrence.

The **SPEAKER**: Does that answer the gentleman's question?

Mr. **COWAN**: Yes, Mr. Speaker, I just rose to call the attention of the House to the fact that we have no cloture rule on the second Special Session.

The **SPEAKER**: The Chair understands the gentleman is correct.

The question is on the passage of the Order, S. P. 767, in concurrence. Is it the pleasure of the House that the Order have passage?

Thereupon, the Order received passage in concurrence.

### **Preliminary Report of "The Committee On Administrative Code"**

To the Members of the Eighty-ninth Legislature:

The Committee on Administrative Code, pursuant to authority conferred by the resolve creating the Committee, has given such study to the existing provisions of Chapter 216 of the Public Laws of 1931, commonly known as the administrative code, as the limited time at its disposal would permit.

We have held sessions at the State House during six entire days

and have studied the comprehensive report made to Governor Gardiner by the National Institute of Public Administration in 1930. We have conferred at length with Messrs. Wilkinson and Noon of the auditing firm of Ernst and Ernst and at our request Mr. A. E. Buck of the National Institute has spent two days in the State House observing current administrative practices in the various State offices and he has given us the benefit of his conclusions.

Foreseeing the possibility that our recommendations might include one calling for an amendment to the Constitution, we have thus far limited our study to the financial administration of the State, and this study has led us to the conclusion that the first and most important matter to be given legislative attention is that of a reorganization of the office of Treasurer of State. By Constitutional provision, that officer is now elected by the Legislature for a term of two years. He must campaign for his election and re-election. The Constitution, too, limits his period of service to six consecutive years, thereby depriving the State of the value which long continued service would make possible.

We believe that the Constitutional provisions relating to the Treasurer should be repealed and so recommend.

We then recommend that the office be set up as a Bureau in the Department of Finance as now existing.

We recommend that lists of all items of income accruing to the State be certified to the Treasurer by the various departments and State agencies in which they may originate, and that to the duties now imposed upon the Treasurer by law, there be added those of receiving and keeping a record of all such items and of promptly and diligently collecting them.

By such a system there can be found in one office a fairly comprehensive picture of the financial condition of the State at all times. Such a system, by the way, would best be served by an appointive incumbent of broad accounting, banking and investment training and experience; in other words, a career man who should be paid a salary commensurate with his duties and responsibilities. He should, moreover, be retained in office as long as he per-

forms his work efficiently. Such an arrangement, we believe, would obviate the necessity of the continuance of the office of Deputy State Treasurer, and we recommend its abolishment.

In accordance with these recommendations, we have prepared and present herewith a Resolve for the purpose of amending the Constitution, and an Act setting up a Bureau of the Treasury.

Our further studies will, of necessity, disclose the desirability of other changes in the laws affecting the State's financial administration, but we believe that any such changes should follow and integrate with, rather than precede, that which we are here recommending, and which we believe to be of vital importance, viewed either from the standpoint of efficiency or economy.

Respectfully submitted,

(Signed)

Lauren M. Sanborn  
Francis H. Friend  
Clarence B. Beckett  
W. Mayo Payson  
E. Sam Farwell  
Alan L. Bird  
George R. Grua  
Roland J. Poulin  
George H. Hinckley

Committee on Administrative Code  
Augusta, Maine, July 22, 1940.

Comes from the Senate, in that body read and accepted and ordered sent to the House.

In the House:

Mr. PAYSON of Portland: Mr. Speaker and members of the Legislature: We have asked to have this report, which was introduced in the Senate this afternoon, sent to the House immediately, so that the House might get first-hand information on what our Committee is reporting. We want to avoid not only the actuality but even the appearance of trying to rush the thing through. We hope you will be able to understand and perhaps to agree with us when you have time to think it over, but we have proposed a matter of considerable importance, so that report has come in here tonight in order that the Committee may say a few things about the work we have been doing.

I should like to call your attention to the fact that this Committee was not appointed to search out defalcations or any other thing of that nature. We have nothing to do with personalities or with the removal of

people from office or prosecution for any criminal act. Our job was merely to see if we could improve any of the machinery of State government.

Personally, it is my belief that a poor form of government with a good personnel is far superior to a good form of government with an inefficient personnel. You have seen in your experience that one farmer works on a farm, a good farm, and makes a good living, does well for himself, while his neighbor, living on an equally good farm next door, his farm is run down, the buildings are run down, and the second farmer just barely squeeks by; perhaps he does not squeek by—does not pay his taxes and has foreclosed. You see one man running a store in a fairly good location, giving good service and good products for the money and making a good living for himself, and you have seen another storekeeper in an equally good location, with the same opportunity to give service and to sell good products, and he will fail and not make a living for himself.

The same thing is true in government; it is personnel that counts to the highest extent. But it was our job to see if we could help the machinery of the government of the State by a better tenure of office and a better method of selecting officers, so that the government might get the best service for the money paid. And so it is without reference to personalities that we have made our suggestions for legislative change. Nothing can prevent you and nothing can prevent us from considering the personnel that has served in the past, and from drawing our conclusions from that personnel. Our changes have only to do with the form of appointment and tenure of office.

As to the State Treasurer's Office, let me again recall the picture to you that has been presented in this report. By legislative enactment, the State Treasurer has been paid a salary of three thousand dollars a year. Now it is perfectly true that by paying a big salary you cannot be guaranteed that you will get a big man, but it is also perfectly true that by paying a meagre salary you can guarantee that a big man will not even go after the job. We have been paying by legislative decree three thousand dollars to the Treasurer of State,

and under our present constitutional provision it is not merely a matter of accepting the job offered to the Treasurer of State, but, in order to get that job, a man has got to go out and campaign the whole State, contact all the members of the Legislature and perhaps go into a contest to see if he can be elected, and then, after he is elected, he gets a three thousand dollar a year salary for a two-year term. At the end of the two years he has got to go out and repeat the process, and, at the end of six years, under our present constitutional provision, he goes out of office, and then he has to try to re-establish himself in private business.

That method of choosing the State Treasurer without regard to the salary paid him practically guarantees inexperience in that office. I cannot personally understand why the six-year limitation was put on the Treasurer's Office by the Constitution. Whether the framers of the Constitution thought that six years was long enough so that the State Treasurer ought to be able to steal all he needed in that time, or whether they thought it was a political job that ought to be passed along to the faithful, I have never been able to figure out in my own mind.

The Committee believes that a man should be appointed to this job and hold it so long as he serves the people well, and should be paid a salary commensurate with the work that he has to do. We feel that the State is entitled to the benefit of the experience that a man gets on the job, and we also feel that the State cannot afford to hand out political plums of this nature in this special session.

Further, in this report, we have added two things specifically. One is a centralization of collections in the hands of the Treasurer of State. There seems to be no centralization of that sort under the present set-up. We believe that there should be. And, beyond that centralization of collections, we say there should be a set-up showing every item of income which accrues to the State.

Now let me make it clear that we are not going too far on that, but only just far enough. I said the items of income that accrue to the State. I mean by that, the charge accounts, not the cash and carry. For instance, if you go down

to the Secretary of State's Office to get your driver's license or registration for your automobile, and you pay cash for that, of course you do that right with the Secretary of State, as you have always done, and he will turn that money over to the State Treasurer at the proper time; but taxes that are committed, or equipment loaned by the Highway Department, where a charge is made by the Highway Department, or where a charge is made by the Health and Welfare Department for aid to dependent children, all of the charge accounts which the State has will be immediately certified from the Department where they originate to the Treasurer of State, and he will have this centralized bookkeeping system to show all the items that are due to the State.

In order to accomplish what we have set out to do in this case, it is necessary to amend the Constitution. First take out of the Constitution the provision for the election of the State Treasurer by the Legislature for a two-year term with a six-year limit, and, secondly, to enact legislation setting him up under the Department of Finance as a Bureau Head and as a man who would stay in office so long as he serves you well.

Thereupon, the Report of the Committee was accepted in concurrence and ordered placed on file and 500 copies ordered printed.

Mr. Varney of Berwick, was granted unanimous consent to address the House.

Mr. VARNEY: Mr. Speaker, I have here a Report from your Special Committee set up to investigate the various Departments of State, which is rather detailed and covers everything that the Committee has investigated up to the present time. The Report is a little long, and with it I have the supporting testimony taken out by the Committee, or such of that testimony as has been transcribed up to the present moment. There will be some additional testimony which is in the process of being transcribed and some exhibits which are not just in the form for presentation but which will be presented to this House within the next few hours. I now propose to offer this Report of the Committee and feel that it should be read to the House at this time. My reason

for suggesting that is, of course, that you may or may not want to have it printed, or to have it all printed, and it would not be possible for you all to read it at one time unless it were read to you. With that, Mr. Speaker, I present the Report of the Committee.

The Report was read by the Clerk, as follows:

**Partial Report of the Joint Special Legislative Investigating Committee Created by Joint Order, House Paper 2254**

**ORGANIZATION AND PROCEDURE**

This Committee first proceeded to organize itself with Senator Nathaniel Tompkins as Chairman, and Representative Robert McNamara as Clerk. The Committee employed Donald W. Webber of Auburn, Maine, as Counsel, and Hubert Ryan of Wilton, Maine, as associate counsel. A full-time stenographer was employed, and in addition reporters from the Public Utilities Commission, the Unemployment Compensation Commission and the Industrial Accident Commission were employed from time to time to record the evidence taken by the Committee. In most instances counsel for the Committee interviewed witnesses before these witnesses were called before the Committee, and a stenographic record of these preliminary inquiries was made. This served the double purpose of saving the Committee's time at actual hearings and furnishing a double check on the veracity of all witnesses. This procedure also enabled the Committee to obtain a great deal of evidence from witnesses interviewed by Counsel but not subsequently called before the Committee, thereby saving a great deal of the Committee's time. It is obvious that in the limited time which the Committee has had, it could not possibly have interviewed all the witnesses who were interviewed by its Counsel. It has not been necessary for the Committee to use its power of subpoena. State employes have been cooperative and have voluntarily submitted to questioning and furnished all information and documentary evidence requested by the Committee. Two officers of the State Police were assigned to the Committee and proved most helpful in investigation work.

The Committee decided that the length of time within which it had

to conduct its investigation would necessarily preclude its investigating all State departments, and it preferred to make a more thorough examination of as many departments as time would permit. In general, therefore, it may be stated that the Committee has investigated quite thoroughly the Highway Department, the Bureau of Printing, and the Superintendent of Buildings. The committee has also made a thorough investigation of the Motor Vehicle Registration division of the Secretary of State's department, including a complete analysis of the Auburn branch registration office robbery investigation and further including the assembling of all present known facts surrounding the robbery. Time has not permitted an investigation of the other divisions of the Secretary of State's department. The Committee has made a cursory examination of the Bureau of Purchases which includes the Departmental Garage, and of the Liquor Commission since 1937, but acknowledges that the size of the Liquor Department and the volume of its business indicate the desirability of a much more thorough investigation than the Committee has had any opportunity or time to make. The Committee took the testimony of the Attorney General concerning his connection with the Brooklawn Memorial Park and other cemetery associations within the State in an effort to ascertain whether he had in any way been remiss in his duty as Attorney General, but has not had the time or opportunity to hear other witnesses on this subject. From this testimony it appears to the Committee that a further and thorough investigation is warranted. The Committee has obtained in the course of its investigation enlightening information with regard to the Executive Department, State Police Department, Department of Audit, and Personnel Board; however, although these departments obviously should be thoroughly investigated, the Committee has had no opportunity due to lack of time to examine them and any information gathered was purely incidental to its investigation of other departments.

Other important departments such as Health and Welfare, Institutions, Public Utilities, Insurance, Taxation, Education, Agriculture, Forestry, Fish and Game, etc., un-

doubtedly all fall within the scope of the legislative intent in instituting this inquiry, but obviously the Committee could not in such a relatively short time even casually inspect these important departments.

Some criticism of this Committee has been made regarding closed hearings. The Committee took its evidence in executive sessions in the belief that an investigation of this type is most effective if secrecy is maintained and witnesses are not permitted to know exactly what the other witnesses have stated on the same subject matter. From the nature of the testimony now made available for your examination, the reason is obvious.

The Committee has interviewed, either in its hearings or through its counsel, 70 witnesses and the testimony compiled comprises 1836 pages with 1,000 pages still in the process of transcription.

#### HIGHWAY DEPARTMENT

Investigation of this department was based upon an examination of the following principal witnesses:

Stillman E. Woodman  
Lucius D. Barrows  
Harold F. Hopkins  
Vincent P. Ledew  
Charles E. Davis  
William H. Deering

In addition, there were interviewed by Counsel:

Edwin H. Root  
H. S. Weymouth  
John B. Church

The Highway Department is the largest State department, from the point of view of number of employees and volume of business. The total annual expenditures average 15½ million dollars.

**Motor Transport Division and Highway Garage.** The Committee finds that the present Highway Garage was established in 1920 by Council order for the repair and maintenance of highway equipment. In the intervening years, highway equipment, and consequently Highway Garage business, have greatly increased. Simultaneously there has grown up a so-called 'Motor Transport Division', otherwise known as 'Account No. 9075', in the Controller's office. This has included all the Garage business and also control of certain equipment bought out of the funds of and owned by this division and by it rented to other divisions or to towns through

those other divisions. The Motor Transport Division, as such, has never had a distinct personnel organization in the same sense that other divisions in the Highway Department have. It is apparent that neither the Highway Commissioners nor Mr. Barrows, the Chief Engineer, have kept in close touch with this division or fully understood its workings, particularly from an accounting standpoint. It is doubtful, in fact, if anyone except Mr. Runnells ever fully understood the set-up. There has apparently been no definite basis established which would determine whether any particular piece of equipment would be bought out of Account No. 9075 and charged to the Motor Transport Division, or bought out of the funds of another division and charged to that division. Divisions renting equipment from the Motor Transport Division have determined and fixed their own rentals, which they would pay and have kept their own equipment cost records. This information has gone to the Controller's office, but has not cleared through the Motor Transport Division. It is apparent, therefore, that there was an opportunity for equipment to be figured in different ways by different divisions, even as to the same type of equipment. It is possible that because of this peculiar set-up, the Highway Department, taken as a whole, might be confusing itself as to actual equipment costs over a period of the life of the equipment, and also confusing itself as to construction or maintenance costs insofar as those costs were supposed to reflect that part of the equipment cost which should properly be apportioned and allocated to particular jobs. It is further apparent that it is not clear in the minds of those who might be considered as constituting the personnel of the present Motor Transport Division as to exactly where the authority or responsibility of any one of them begins or ends. It was noticeable that the opinions of all witnesses examined on this point were unanimous, that a definite problem exists, and that some correction is needed. Estimates given the Committee indicate that the business of the Motor Transport Division has increased to a point where it runs between a million and a million five hundred thousand dollars a year. It may be noted that Account No. 9075 was set up in the first place

to be an equipment depreciation fund and that the income from equipment rentals and repairs resulted in substantial unexpected profits. From these profits on one occasion \$400,000 was taken and given to departments other than the Highway Department and never paid back; on another occasion \$500,000 was taken and given to other divisions within the Highway Department. This has served to create a feeling within the Motor Transport Division that it was impossible for that division to make a good showing, which feeling, although perhaps unjustified, is only natural under the circumstances and does not tend to produce the best efforts of which the personnel in that division might be capable.

**Recommendations.** The Committee recommends the establishment of a Motor Transport and Equipment Division within the Highway Department which shall be charged with the ownership, service, repair and maintenance of all motorized equipment of the Highway Department. This division shall be headed by a superintendent. There shall be maintained as a subdivision, a cost accounting, rental and control bureau which shall determine the efficiency records of various types of equipment and what each piece of equipment costs and produces for the State. There shall also be maintained the State Highway Garage, machine shop, and warehouse, as a separate subdivision. There shall also be maintained a stock of new and used parts, supplies, materials and accessories necessary to maintain and service the motorized equipment, garage, and machine shops. The head of this division shall, with the approval of the Chief Engineer and Highway Commission, requisition the Highway Purchasing Agent for purchases of motorized equipment, parts, accessories and supplies. Equipment may be rented by this division to other divisions within the Highway Department and to municipalities. Rentals may be determined by the head of the Motor Transport and Equipment Division with the approval of the Chief Engineer and Highway Commission, who shall consider also the recommendations of the Division Head to whom the equipment is to be rented. Rentals shall be on a basis sufficient to pay the overhead of this division and amortize the equipment on a fair basis of experience records.



**Highway Purchasing.** Purchasing for the Highway Garage has been done almost exclusively by Mr. E. K. Sawtelle. Equipment purchases other than small ones have been made by the Highway Commission in conjunction with the Governor and Council. There is no indication that the rule of accepting the low bids has not been very generally followed, and the relatively few exceptions have probably been justified or explainable.

For example, the Committee investigated thoroughly purchases of tar over a period of three years past. Obviously this is one of the largest single items of purchases. It was found that in every case but one, the award went to the low bidder. In that one case, the low bidder was a concern which had never previously bid and the Commission was concerned as to whether it could handle such a large volume efficiently. Arrangements were made by which the low bidder voluntarily relinquished a part of the business to the Barrett Company, which in turn accepted the business at the low bidder's bid price. This redistribution of business therefore left the low bidder with about 3,600,000 gallons and at the same time gave the State the benefit of the lowest prices bid on all items. The representative of the Koppers Company is related to one of the Commissioners, but there is no indication that the Koppers Company has received any business on which it was not the low bidder. Awards on tar appear to have been made in an honest and businesslike way.

The business of Highway Purchasing has grown so large that the opportunities for complaint and criticism are many, and the duties have apparently become so arduous and distasteful to the Commissioners that the necessity of a General Highway Purchasing Agent seems to be indicated. The participation of the Governor and Council in Highway Purchasing seems to serve no very useful purpose, and on the other hand, even without their actual interference, has apparently led the Commission into purchasing at least to some degree with an idea of satisfying what the Commission believes might be the wishes of the Governor and Council. This has apparently resulted in ignoring in many instances the recommendations of division heads whose knowledge is undoubtedly better than that of any of the Commissioners or the

Governor and Council as to the performance records of equipment. The recommendations of these division heads have undoubtedly been based upon their experiences under actual operating conditions with certain types and makes of equipment, and are undoubtedly entitled to more consideration than they have actually received. The results obtained by various State Departments through the Central Purchasing Bureau have apparently been, on the whole, economical, fair, and satisfactory, and there is no reason to believe that equally satisfactory results would not be obtained through a General Purchasing Agent in the Highway Department who would give proper regard to the recommendations and experience records of the division heads, and who would be as nearly as possible free from politics.

**Recommendations.** That a Highway Purchasing Agent be established, who shall be responsible to the Chief Engineer, and shall requisition all supplies and equipment, provide and check specifications approved by the Highway Commission, check inventory records as to need and quantity of materials, and who shall request bids and award contracts under the rules and regulations governing all State Purchasing.

#### **Employment, Discharge, and Wage Readjustments**

The present practice in the Highway Department seems to be that division heads may hire help in their divisions who have previously been employed by the State of Maine, and may even hire outsiders for purely temporary work which is of a not too responsible nature. All permanent positions, even though not very important, and all important positions have been taken up with the Governor and Council, who have in effect apparently done the hiring and firing.

Wage increases and adjustments have apparently been handled in the same way, even as to such insignificant matters as small wage increases for clerical help, which have had to be approved by the Governor and Council. This would seem to have the necessary effect of unduly hampering division heads and of creating the difficulty and sometimes the impossibility of holding together an efficient organization. It seems to be indicated that this unwieldy procedure may well cost

the State more money than it saves. Some efforts have been made by Mr. Lucius D. Barrows and the division heads to rectify the wage adjustment situation by having experience and service classifications with accompanying wage adjustments, set up through the Personnel Board. The further extension of these efforts and the reduction of interference in these matters by the Governor and Council to a minimum would appear to be desirable.

**Recommendations:** That the Highway Commission in conjunction with the Personnel Board shall readjust all wages and conditions of employment in the department, having regard to efficiency, length of service and the like.

That hiring, firing, and fixing of salaries be done hereafter without interference from or approval by the Governor and Council.

#### **Sales From Highway Garage Stock**

A large stock of merchandise is maintained at the Highway Garage. This consists primarily of parts and accessories for automobiles, trucks, and highway equipment, and such items as may be necessary for the maintenance of the machine shop. The practice of selling these items to State employees and outsiders was definitely terminated by order of the Governor shortly before the organization of this Committee, and there is no indication that there are any violations of this rule in existence at present. It is apparent that this practice grew up over a period of years, and that there were definite abuses under it. The general practice was to charge the State's cost plus a 5% handling charge, except that on sales to towns, there was often added 10% above the State's cost. The result was that purchasers got all the way from 10 to 50% off the price charged by retail merchants, and it might be fair to estimate the saving of a purchaser from the Highway Garage at about 25% on the average, off the regular retail price. The privilege was available to any State employee. It was extended to towns in emergencies. It was extended to private contractors in emergencies and to private contractors working on State contracts. In the case of the Central Maine Power Company, it was extended on the basis of reciprocal favors tendered to the State of Maine by that Company, particularly the lending of a large trailer to

the State, rent free. It was extended to members of the Highway Commission, members of the Governor's Council, and to certain privileged individuals most if not all of whom had at some time in the past held some official position with the State of Maine. In some instances the purchaser took delivery at the Highway Garage; for example Mr. Blaine Viles of Augusta, who was apparently the largest single purchaser, always sent his chauffeur to the Garage to place his orders and take delivery. In some instances, as in the case of Mr. George D. Lord of Wells, Maine, orders were placed with the garage for direct shipment to the purchaser. In some instances, orders were placed by one individual for shipment to another, as in the case of certain items ordered by Mr. O. B. Fernandez for shipment to the late Arthur Crafts of Greenville, Maine. It appears that any suggestion which was ever made as to the curtailment of the practice of sales to State employees and others was discouraged by Mr. William Runnells, whose influence in the State House appears to have been considerable. It is significant that all proceeds from these sales in the Highway Garage passed through the hands of Mr. Runnells, and any suggestion made by Garage employees that Mr. Runnells receipt for these proceeds was always met by a flat refusal by Mr. Runnells. It is apparent that the curtailment of these sales has resulted in providing the persons charged with the care and maintenance of the stock for the first time with the time and opportunity to perfect a perpetual inventory system which should in the future provide an effective inventory control.

**Recommendations:** That the practice of selling from State Highway Garage inventory to State employees and others never under any circumstances be resumed, and that no exceptions to this rule be permitted.

(NOTE: It may be noted that it has never been the practice to sell gasoline from the Highway Garage pump to State employees or others.)

#### **Highway Commissioners: Recommendations**

The Committee recommends that the Highway Department be supervised by a full time three man Commission as at present, appoint-

ed by the Governor by and with the advice and consent of the Council. At least one member of the Commission should be a man with training and experience as a construction engineer.

In event of a failure by the Governor and Council to fill a vacancy on the Commission within thirty days after it occurs, the President of the Senate should be empowered to fill the vacancy. The Acts of the Highway Commission should not be subject to the control or veto of the Governor and Council.

### ERNST & ERNST AUDIT

This audit was admittedly only a test check, or spot audit of the State's business. Although certain shortages and defalcations were brought to light by this audit, there is no certainty that others do not exist undiscovered. Only a complete detailed audit at great expense to the State could reduce this to a certainty.

The inclusion of the deficiency bill in the sinking fund reserve is probably usual and proper accounting practice, but without further explanation, it perhaps creates an erroneous impression in the public mind. The public should be made aware that the State has not this money on hand, but has pledged itself to collect this amount over a period of years by a tax on malt liquor. If the deficiency bill were to be repealed, the sinking fund as set up by Ernst & Ernst would be greatly diminished.

Mr. Wilkinson stated to the Committee that the only evidence of irregularities found were in the Comptroller's Department, Departmental Garage, and at the State's Prison at Thomaston. No others have come to the attention of the Committee.

An examination of the audit with reference to the attempted breakdown of deposits made from the Auburn branch registration office prior to the robbery and to the attempted analysis of the amount of money probably in the safe at the time of the theft, taken in connection with other testimony taken by the Committee, leaves the Committee with the impression that the conclusions drawn by the auditors on this subject are unconvincing.

**Recommendations:** That an independent audit be made by a recognized firm of public accountants at the end of each fiscal year, and published in consolidated form in

two daily papers printed and published in the State. It is suggested that the same firm be not employed on successive audits.

### Superintendent of Buildings

This position has apparently always been considered as a purely political one and the duties have never been arduous. Nominally the superintendent is custodian of the State House and grounds, the Blaine Mansion, and certain other State buildings, including some of the old forts. Practically all of the work is in fact done by the Assistant Superintendent and the office workers.

In addition to his salary, the superintendent is furnished a home in a State-owned house in the rear of the Blaine Mansion. The present incumbent has followed the practice of renting rooms in this house and keeping the rentals. His predecessor purchased his own fuel but the present superintendent, Mr. Pingree, has had his fuel, electricity, telephone and water furnished by the State.

The buildings, especially the State House, are in a state of poor repair at present, particularly the State House roof, although the Superintendent has turned back unspent a substantial part of his appropriation each year. The condition of the building has apparently been the subject of comment by the visiting public.

It is significant that the superintendent was unable to tell the Committee what arrangements exist between the State and the "concessionaires" in the State House, including the State House Cafe.

**Recommendations:** That the offices of Superintendent and Assistant Superintendent be combined with a resulting saving in salary.

That the head of this department be given a tenure of office and in so far as possible, divorced from purely political changes.

That steps be taken to put the State buildings into a state of good repair and more particularly, that immediate steps be taken to permanently repair the west roof of the State House.

### PURCHASING DEPARTMENT

#### Organization and Methods

Investigation of this department included testimony of the former purchasing agent William S. Owen; Captain Homer M. Orr, present

purchasing agent; and Thomas Wood, foreman of the Departmental Garage. The Committee also had available a transcript of a preliminary examination of Benjamin West Lewis, former Supervisor of Motor Vehicles, taken before counsel for the Committee, but before the date set for his testimony to be given before the Committee, he had resigned, and no effort was made to call him.

Mr. Owen was the Commissioner of Finance, and as such, it was his duty to appoint the State Purchasing Agent. Mr. Owen, being unable to find enough duties as Commissioner of Finance to occupy his time, appointed himself State Purchasing Agent without additional salary, and performed the duties of that office for about eight years. The Commissioner of Finance receives \$4,000; whereas the Purchasing Agent receives \$5,000; but Mr. Owen did the work of Purchasing Agent for the \$4,000 which was his salary as Commissioner of Finance.

Captain Orr had been Deputy Purchasing Agent under Mr. Owen, and on Mr. Owen's resignation, he became Purchasing Agent. No Deputy Purchasing Agent had been appointed at the time Captain Orr testified. Apparently the procedure has been for the Purchasing Office to maintain a calendar which indicates the time when certain things were needed to be bought, and also each institution maintains a calendar to indicate the time when they will need to requisition the Purchasing Department for certain supplies.

Practically all orders were sent out on bid, and there was always a public opening of bids. A representative from the Controller's Office would be present at the opening and list the bids. Awards would be made, usually to the low bidder, and purchases made by regular purchase order.

In some instances the low bid would not be taken. For example, on paint as to which the Purchasing Department apparently has felt that it could not trust the quality of very low priced paint, and so has tried to buy the paint from reputable concerns at a medium price. In some instances, institutions might specify a particular brand of product they preferred, and if in the judgment of the Purchasing Department the request seemed reasonable, the Purchasing Depart-

ment would buy for them that particular brand of product. The specifications which were used in making up bids were apparently made up for the most part some years ago, and have been kept on file with some changes from time to time.

Mr. Owen stated frankly that occasionally the Governor or members of the Council would ask if he would favor some particular individual in purchasing, but he stated that he did not follow the policy of awarding purchases to such individuals "except it belonged to them." Mr. Owen testified that Governor Brann would call him up on occasion and ask him if he would favor a particular person, that person being then in the Governor's office. Mr. Owen stated, "I would say 'All right, Governor,' and then I would go up and see him officially and ask if he meant it, and he would say, 'Oh, no. Do just as you like'."

It appears that it has not been the practice to make any very definite check on the materials and supplies after they have been purchased, to see whether they are up to specifications as to quantity or quality. Some institutions and heads of departments have been much more careful than others about making these checks, and the question arises whether or not the system might be improved as to both quantity and quality checking.

There is a frequent use of the words, "or equal" added at the end of specifications on request for bids, the Purchasing Agent and his assistant being apparently the sole judge of whether the materials offered by the bidder are equal to those specified.

Mr. Owen and Mr. Orr both apparently feel that in most instances where there has been dissatisfaction at first by an unsuccessful bidder, that after an explanation as to the exact basis on which the successful bid was accepted, the unsuccessful bidder has gone away satisfied.

A list of persons and concerns to be notified and given an opportunity to bid is kept in the office, and any person desiring to bid on a certain type of commodity may receive all requests for bids by asking that his name be placed upon the list.

The Code provides for a Standardization Committee to work out schedules of specifications, etc. There is no indication that the Committee has ever functioned in

any way and presumably should be either done away with and the responsibility placed elsewhere, or should actively function.

On purchases of oil, the practice has been not to specify by formula but to request that the companies bid on the oil which they advertise as their best oil. Usually the lowest bid on the best oil is accepted. This practice appears to be based upon the assumption that there is little to choose between the best grade oils of the reputable oil companies.

There is some combination bidding, to get a better price, as for example, bids on coal are asked to be submitted three ways: one, at the vendor's plant; two, delivered in bins; and three, delivered on cars at destination. In the case of fuel, trucking bids are secured simultaneously, and the bids combined to see what method will produce the cheapest price.

It frequently happens that several bidders make the same identical bid. In this case, lots are drawn.

Total purchases made by this department amount to about one and one-half million dollars annually.

### Departmental Garage

The Departmental Garage is entirely separate from the State Highway Garage and is operated as a branch of the State Purchasing Department. It occupies space on the second floor of the State Highway Garage building, and pays no rent to the Highway Department. The idea of a Departmental Garage apparently originated a number of years ago, the theory being to stop the use of personal cars upon which there was a mileage charge by the owner to the State of from five to ten cents a mile. The Departmental Garage was apparently begun by Council order, and starting with a few cars, increased until there were about 85 cars. These cars were owned and serviced by the Departmental Garage, and on requisition let out to the various departments at a rental charge of 4c a mile. This price was found sufficient to pay all costs of service, maintenance and depreciation, and a profit of \$12,000 to \$15,000 a year which went into the general funds of the State. This practice continued until by legislative order many of these cars were sold, so that at present there are 68 cars, many of which are out in the field, with about 10 or 11 cars

available for requisition at the Garage.

It appears from the testimony of Mr. William Owen that several years ago an automobile charged to the Departmental Garage disappeared. When all cars were checked in at the time of sale of the cars, ordered by the Legislature, the Departmental Garage was still one car short. The Committee understands that this car was assigned to Mr. William Runnells and was later exchanged by him for a car of his own. The Committee further understands that this car is one of the subjects of action now in process of prosecution by the Attorney General's department.

When the sale of cars occurred, Mr. Runnells insisted that they be appraised at dealer's book value prices. This would not differentiate between the condition or amount of mileage of different cars of the same make and year of model. These cars were first offered to State employees at these book prices, but did not sell very well. It was then decided to have them reappraised and this appraisal was made by Mr. Charles Davis, Superintendent of the Highway Garage, Mr. Lewis, Supervisor of Motor Vehicles, and Mr. Wood, foreman of the Departmental Garage. Mr. Davis and Mr. Wood both feel that the cars were appraised fairly and brought all they were worth. The cars were again offered to State employees at these revised prices and after this sale was complete, the unsold cars were put up in blocks and sold to the highest bidder. Mr. Orr states positively that the proceeds from the sale of the cars were credited to the various departments from which the cars were turned in.

The Departmental Garage has been under the supervision of a Supervisor of Motor Vehicles whose office was in the Purchasing Department in the State House. Under him there was a foreman at the Garage, and four mechanics, two of whom were let go when the sale of part of the cars occurred. The Garage is equipped to service and repair automobiles, and has a gasoline pump in connection with it.

Investigation clearly shows that the Departmental Garage can be efficiently operated and managed under the supervision of Mr. Thomas Wood, the foreman, and that the clerical work can be adequately taken care of by the clerk in the Purchasing Department to whom

this duty is assigned. There is no apparent necessity for the office of Supervisor of Motor Vehicles. At one time Captain Wilbur H. Towle was Supervisor of Motor Vehicles, and he was transferred from this division when he was appointed Chief of the State Police department. For approximately a year and a half thereafter, the Departmental Garage operated without any Supervisor of Motor Vehicles having been appointed and apparently was run efficiently and well. It may be noted, also, that at this time the Garage had the full quota of cars, and there was obviously more work involved. Mr. Owen states that when Gov. Barrows asked him if he needed a Supervisor of Motor Vehicles, he advised the Governor that there was no occasion for one; that they had a good foreman; that a supervisor would cost about \$2,500 a year and would not have much to do. A short time later Gov. Barrows informed Mr. Owen that he was going to appoint as Supervisor of Motor Vehicles Mr. B. West Lewis, who had been the Governor's roommate at the University of Maine. Mr. Lewis continued in this position until the day before he was scheduled to appear before the Investigating Committee, at which time he tendered his resignation "in the interests of economy." Mr. Lewis, under examination in an interview with Counsel for the Committee just prior to his resignation, was unable to indicate any useful service performed by the Supervisor of Motor Vehicles which could not be as well or better performed by an experienced tabulation clerk.

The audit of Ernst & Ernst disclosed a gasoline shortage at the Departmental Garage over a period of a little over nine months of 2,455 gallons. This was computed on the basis of an allowance of 2% for normal shrinkage. Under ordinary conditions this shrinkage allowance would appear to be liberal, but in this case it appears that there was a leak in the pump packing, and that in a few instances the attendants during rush periods may have neglected to make accurate records of the gasoline pumped, so that computations as to actual shortage should perhaps be more fairly based upon a shrinkage allowance in this case of about 5%. However, the auditors based their computations upon the assumption that this was a 500 gallon tank,

whereas later investigation indicates that the tank is larger than that, probably 1,000 gallons at least. This fact would increase the amount of the shortage by whatever amount is represented by the difference between the actual size of the tank and 500 gallons. Mr. Lewis admitted that it had been his practice to fill the tank of his personal car out of the Departmental Garage tank frequently, without making any record of the amount of gasoline which he took. Furthermore, he frequently used state-owned automobiles and gassed these cars without record. He also at times borrowed demonstrators from automobile dealers, and while using these cars, gassed them from the same tank without record. Mr. Lewis resided in Boothbay Harbor, where he owns and operates a garage, and it has been his usual custom to drive back and forth morning and night between Augusta and Boothbay Harbor most of the year. It is obvious from the investigation and from Mr. Lewis' own admissions that a large part of the gasoline shortage is attributable to Mr. Lewis and his complete failure to keep any record of the gasoline pumped and used by him. It is also fair to say that the greater part of the gasoline used by Mr. Lewis was used for his personal, rather than for State, business.

**Recommendations:** That the system be improved to provide an adequate method of checks on quantity and quality of purchases after delivery;

That the office of Supervisor of Motor Vehicles be abolished;

That the evidence regarding shortage of gasoline at the Departmental Garage be referred to the Grand Jury of Kennebec County for such action as it may deem necessary.

#### MAINE STATE LIQUOR COMMISSION

##### Sales of Liquor by the State of Maine

The Maine State Liquor Commission is composed of three members, of whom one serves as Chairman.

Retail stores operated by the State have grown in number until there are over forty at the present time. The main warehouse is at Augusta, and the one wholesale store is located in the warehouse building.

During the term of office of the present Liquor Commissioners, there have been instituted some definite changes in methods of operation, a few of which may well be mentioned here.

All liquor is now bought at prices which include delivery to Augusta. All liquor is shipped to Augusta by rail, and delivery to the retail stores is made by motor truck, the business being spread among various trucking concerns who are chosen by the Commissioners.

The Maine State Liquor Commission maintains a list of the various liquors sold at retail. The list is revised from time to time as occasion requires. Each item has its own separate number on the list, and if an item is packaged in containers of different sizes, each size has a number. Thus it may be seen that if a company manufactures different kinds of liquor, it may have a large number of items appearing on the Maine liquor list.

If a brand does not sell well, it may be removed from the list after what the Commission considers is a reasonable probationary period. Unsold liquor of a brand thus removed from the list is returned to the manufacturer, and rebate is had.

It is alleged that it is the intent of the Commission to have the Maine State Liquor Stores always list brands which have proved to be popular sellers. Due to the fact that the brands offered for sale to the Commission are so numerous, it can readily be understood that it would be unwise and also poor business practice to list all those offered for sale to the Commission. Therefore, there must be a weeding-out process employed. The list undergoes frequent changes and it is by trial in the stores that it is determined which brands should remain on the list and which brands should be removed and others substituted in their places.

Many but not all of the liquor manufacturers have salesmen who appear before the Commission in their efforts to have their employers' products placed upon the Maine list. It seems that the salesmen are mostly residents of Maine, due to the fact that the Commission has insisted that salesmen shall be residents of this State. Some companies send representatives direct from their offices and do not maintain regular sales forces. It

has been stated to the Committee that these salesmen are paid by their companies either on a salary or commission basis, or on the basis of a combination of the two. Some also have expense accounts.

It is alleged that the price of any certain liquor to the State of Maine is exactly the same, whether or not there is a salesman for that particular brand. It is further alleged that if it were bought direct from the manufacturer, the manufacturer is the only one to gain, and his gain is the saving he makes in his sales costs.

The Committee has had evidence presented to it to the effect that the present method of purchasing liquor is radically different from that employed by some prior Commissions. It is evident that at one time purchases were made by the Commissioners themselves, after the Commissioners had previously decided which brands would be represented on the State Liquor list. Under the present system, the buying is done by a buyer in the department whose duty it is to place all orders for liquors, and all such orders with the exception of small "special orders", so-called, are made from brands appearing on the liquor stores lists. Managers of the retail stores send requisitions to the warehouse periodically, so that the retail stocks will be kept complete.

As has previously been noted here, the price of liquor is the delivered price at Augusta. This delivered price at Augusta is marked up 64% by the Commission, which accounts for the fact that prices of many liquors on the Maine State liquor store lists are in odd-cent figures.

Relating to the appointment of liquor salesmen, it is interesting to note that the names of proposed salesmen for liquor companies have been submitted to the Commission. There have been instances where the Commission has exercised a "veto power", so to speak, and has insisted on the appointment of some other salesman than the choice of the liquor company. One explanation offered by the Commission for this practice is that there have been certain salesmen whose tactics were such that they would be unacceptable to the Commission.

Mr. Woodman, present Highway Commissioner, made the interesting remark that he withdrew as a member of the Liquor Commission be-

cause as he said, the thing was "loaded with dynamite". Mr. Woodman suggested, further, that on one occasion he was approached by a stranger with a "proposition" which he wished to make to Mr. Woodman. It was then that Mr. Woodman, as he said, decided "he had had enough of the liquor business".

It was related to the Committee by Commissioner Locke that Maine is a member of an association of states of the Liquor Monopoly Group, of which there are 12, with certain distilleries as associate members. Maine contributes \$600 a year to this association. The purpose of the association is to furnish members of the association with information gathered from various sources which may in any way help to keep the association members informed on matters as to the conduct of the liquor business in the member states. The member states compare notes on sales of liquors in their respective states. They therefore know which brands are the best sellers and can amend their lists to either include good sellers or cut from their lists poor sellers. It is interesting to note that a liquor which sells well in one section of the country may have no appeal to the people in another section, but this is not generally the case. Occasionally a manufacturer will offer his product for sale in a so-called "open state" (a state not operating state-owned stores) at cut rates. In case this product is listed on a state-monopoly-store list the association has been able to bring sufficient pressure to bear on the manufacturer so that the State has bought at the cut-rate prices considerable quantities of liquor in this way. The Committee was informed that in this way the State of Maine has on many occasions been able to buy certain liquors in substantial quantities and later sell this liquor at so-called regular prices, thereby making a considerably larger margin of profit than it would ordinarily make. The association exercises such a power that manufacturers are in few cases offering cut-price rates in the open states without at the same time offering the same brand of liquor for sale to the association members at the same low rate. Failure to so offer has resulted in suspension of certain brands from association store lists, a thing the manufacturers wish to avoid. The association

in this way seems to serve a useful purpose.

Inventories, at the warehouse and at the stores, are now kept on a perpetual inventory basis. Figures on the operation of the liquor business of the State of Maine for the period from July 1, 1938 to June 30, 1939, indicate:

That there were net sales of \$5,-707,804.33.

That gross profit on sales was \$2,213,060.46.

That net profit on sales was \$1,825,506.72.

That net surplus was \$1,848,805.35.

Other figures covering a period of nine months from July 1, 1939 to March 31 1940, are:

Liquor stores operating, 40.

Regular employees, 216.

Temporary employees, 9.

Number of brands stocked, 426.

Liquor licenses in effect, 84.

Malt beverage licenses in effect, 1,863.

Bottles of liquor sold, 4,012,860.

Customers served, 2,798,377.

Ernst & Ernst in their report stated, relative to the Liquor Commission:

"We were favorably impressed with the accounting control and procedures followed, the completeness of the reports and statistical information made available to us, and the comparisons which are made between stores as a check against their operations."

The Committee was informed by Mr. Locke, a member of the Liquor Commission, that Dr. Boardman, the Chairman, was ill and could not appear before the Committee.

#### SECRETARY OF STATE'S DEPARTMENT

#### Investigation of Theft from Auburn Branch Registration Office on or about February 28, 1938

The Committee considered this case not with the thought that it was charged with the duty of solving the so-called 'Auburn Robbery' but on the basis that there had come to the Committee's attention criticism of the manner in which the investigation was conducted and on the basis that no other activity of the Department of State has aroused so much public interest or attention.

The Committee's investigation was conducted in Augusta, and through its counsel in Auburn and Portland. The following persons



were interviewed by counsel, but did not appear before the Committee:

Officer Laurence Towle, Auburn; Officer Herbert Grant, Auburn; Officer Aubrey Patterson, Auburn; Officer William Hood, Lewiston; Inspector Philip Graves, Auburn; Deputy Sheriff Arthur Lachance, Auburn; Patrolman Ralph Price, Augusta; Former Deputy Sheriff Willie Deshaies, Auburn; Walter C. Pottle, Auburn; George Osgood, Auburn; Ray Mills, Auburn; Hugh Bethel, Auburn; Carroll Whipple, Auburn; Corinne Ouellette, Lewiston; Winifred Martin, Portland; Theresa Audibert, Lewiston; Henry Churchill, Auburn.

The following persons gave evidence before the Committee:

Former Chief Wilbur H. Towle, Former Deputy Sheriff Eugene Cloutier (testimony not recorded), Captain Harold Maguire, Sheriff Rex V. Bridges; Former Inspector George O'Donnell, Ellen Cunningham, Secretary of State Frederick Robie, Patrolman Arthur Freeman, Chief Inspector Burtis Fowler, Inspector Timothy Murphy, Sergeant Merle Cole, Attorney General Franz U. Burkett, Chief John Healey, Governor Lewis O. Barrows.

From a consideration of what appears to be the most reliable evidence presented, it appears that the last days of February constituted the peak of the motor vehicle registration rush, and that during this period large amounts of money were customarily carried in the vaults of the registration branch offices. Under the system then in force, the girls in the offices received the application cards, excise tax receipts, and money computed to be due, issued the plates and temporary registration certificates, and deposited the material including money clipped to the cards in wire baskets. At some later time this work would be cleared by the girls, necessary records made up, and the money and checks taken off the cards and deposited in the bank. During these rush periods, the work customarily got ahead of the girls and a substantial amount of money and checks would accumulate in the baskets waiting to be cleared.

On Saturday afternoon, February 26, 1938, a deposit of approximately eight thousand dollars in money and checks was made from the Auburn office into the First-Auburn Trust Company by George O'Don-

nell, the sergeant in charge of the branch. This deposit was made after banking hours, and Mr. Henry Churchill, a teller at the First-Auburn Trust Company, recalls the incident and recalls unlocking the door and admitting Mr. O'Donnell into the bank to make the deposit.

Sometime about 2:30 or 3:00 o'clock in the afternoon Ellen Cunningham, chief clerk, obtained permission from Mr. O'Donnell to leave early and ride to her home in Augusta with Inspector Dan O'Connell of the State Police. Another clerk, Winifred Martin, also was permitted to leave early.

Sometime between the hours of 4.30 and 5.00 that afternoon, Secretary of State Robie arrived at the Auburn office on a tour of inspection. There were then present besides Mr. Robie, Mr. O'Donnell, a clerk, Theresa Audibert, and a clerk in the Lewiston Police Department, Mr. William Hood. Mr. Hood operates a motor vehicle registration number service, and has permission to have operatives in the various branches for the purpose of obtaining a list of registration numbers and the car owners, which list he compiles and sells to police and sheriffs' departments. Mr. Hood has been clerk in the Lewiston Police Department for 18 years. Mr. Robie states that he intended to ascertain how large a volume of business they were carrying over the weekend in the various branches and hire and post watchmen wherever necessary. Mr. Robie apparently asked Mr. O'Donnell how much they were behind on their work. Mr. O'Donnell mentioned the deposit which he had made, and indicated that they were not badly behind. He showed Mr. Robie the open safe in which the baskets were piled. Mr. Robie estimates that there were perhaps "11 or 12" baskets piled on top of each other in tiers, all full of applications, money and checks. Mr. Robie states that he considered the Auburn Branch one of his safest locations, because of the fact that there were hourly patrols by the Auburn Police Department. He further states that in 1937 he had had a night watchman put on at Auburn during the rush period, but this Mr. O'Donnell denies. Mr. Robie apparently concluded that no night watchman was needed over this particular weekend at Auburn, but he did thereafter cause a night watchman to be put

on at the Portland office, where they were carrying approximately \$100,000 in the safe over the weekend. After Mr. Robie left, Mr. O'Donnell was apparently the next to leave the office.

It appears that Mr. O'Donnell met his fiancée, Corinne Ouellette, and that they had cocktails at the DeWitt Hotel; that thereafter they had supper at Joy Inn; that thereafter they went to the Silver Slipper, located in the Elm Hotel, in Auburn, and spent the evening there until a late hour. Mr. Hugh Bethel, a reputable businessman in Auburn, who lived in an apartment in the same building as Mr. O'Donnell, distinctly recalls meeting Mr. O'Donnell alone at the street entrance of their apartment house somewhere in the vicinity of 10 or 10.30 that evening, at which time Mr. O'Donnell went directly to his apartment. This meeting may have no significance but remains unexplained.

The following morning being Sunday, Mr. O'Donnell met his fiancée and they attended Mass together at a Lewiston church, after which they had dinner and returned to Mr. O'Donnell's apartment, where they spent the rest of the day. Mr. O'Donnell states, however, that he stepped inside the registration bureau sometime Sunday forenoon about a license he had promised to get for a man; that Sergeant O'Connell and William Hood were there, and that Sergeant O'Connell told him that he had already got the man's license for him; that thereafter he left the branch and did not return until Monday morning. Ellen Cunningham, however, states that on Monday, Mr. O'Donnell took from his desk two applications with the money attached which he passed to her stating that he had taken them in on Sunday.

Sometime during Sunday forenoon, Winifred Martin entered the office with one Harold Corey, a truck owner. She fixed up certain registrations for Mr. Corey, issued his plates, and opened the safe for the purpose of depositing his money. The baskets were then intact, and nothing had been disturbed. Miss Martin locked the safe and the doors behind her.

Mr. Hood was in the office during the latter part of the afternoon, apparently working on his list until 6.00 P. M. or a little after. Sometime approximately between 6.00

and 7.00 P. M. Walter Pottle, who for some years had been the janitor of the building in which the branch was located, entered to clean up and was in fact seen sweeping the floor by the officers making their regular rounds. He feels that he worked there for about an hour.

Officers Laurence Towle and Herbert Grant were on duty in the business district that night, making hourly patrols and reporting to the station every hour from their box at the corner of Main and Court streets. It apparently snowed off and on through the evening. The officers worked together, one man traveling the sidewalk in front of the buildings and the other man moving parallel through the alleys in the rear of the buildings. Officer Towle came through the alley in the rear of the branch office sometime between 10 and 11 o'clock and found nothing disturbed. He is sure that at that time there were no tracks directly under the back window, nor was the window itself open. Between 12 and 1 o'clock Officer Grant had to report at the Police Station to relieve the officer there during that hour, and while alone, Officer Towle made the rounds on the sidewalk in front of the building by the front door of the branch office. There was a screen in the front windows high enough to prevent a person on the sidewalk looking at the safe without climbing up, although there would be a clear view through the front door straight through to the back of the building. Towle and Grant rang their box at 1 o'clock and started along the beat, Grant on the sidewalk and Towle in the alleys. When Towle reached the back of the branch office, he observed a small back window raised 8 or 10 inches. There were tracks and a padded-down place directly under the window. He is positive that this condition was not present on his last time through. He blew his police whistle two or three times for Officer Grant, and stood while he was waiting for Grant where he could see through the building. Grant heard the whistle and came immediately. Grant then went to the front door of the apartment house next to the branch office, (there being only an alley of driveway width between) and rang Mr. O'Donnell's front door bell or buzzer about 15 times with no response. The officers

wished to enter the branch office through the front door with Mr. O'Donnell's key if possible, rather than to disturb the condition around the window. Being unsuccessful in this, they raised the window still higher and entered the building through the window. Before entering, they heard a noise inside the building which was not definable, and which might have been the sound of the building on a cold night. After entering, they observed that there were jimmy marks at the bottom of the window sash and that the catch had been broken at the top. It was later testified to by Officer Arthur Freeman that in the forenoon of February 28th, he examined the window and sash and found that the panes had been wiped all around the edges. No finger prints were found when the window was later examined by Officer Deshaies. There were no tracks of snow or water inside on the floor under the window.

Officers Grant and Towle first entered the cellar and found nothing disturbed. They then went to the front part of the office and found the front door locked. This door locked only with a key. The safe and the office desks were separated by a partition, part wood and part metal grille-work, from that part of the office open to the public. The door into this 'cage,' so-called, they found locked. Grant then climbed over the top of the partition and onto the top of the safe, thence onto a desk, and to the floor. The safe handles were in locked position, but they did not try to open the safe or see if it was locked. They found nothing else disturbed. They then called the police station and reported an attempted break. They then left the premises through the back window, and carefully closed the window behind them. They kept careful watch of the premises throughout the rest of the night.

Mr. O'Donnell and Miss Ouellette claim that they remained in his apartment until shortly after 9 o'clock Sunday evening, February 27, 1938, and that during that time, Mr. O'Donnell drank some liquor. They have told different stories at different times while being questioned as to the events of that evening. At one time Mr. O'Donnell insisted that he was drunk that night, and heard nothing. His last statement is that he had been

drinking but was not drunk; that he did not hear the police whistle but did hear the buzzer and paid no attention to it. At one time both claimed that he took her home at about nine o'clock, but both admitted later that she went home alone, and this accords with their last statement. Miss Ouellette states that because George had been drinking, she did not want him to go out, or have any of his friends come in, and that she saw him in bed before she left to go home. No satisfactory explanation has been offered for the telling of so many different stories. Mr. O'Donnell, through his apartment window, saw Mr. Hood working in the registry and called him there on the telephone to inquire if he intended to go on a contemplated trip to Augusta that Sunday afternoon. Mr. Hood replied that he was busy and could not go. Mr. Hood apparently left the registry Sunday afternoon at about 6.00 P. M. or shortly after.

After about nine o'clock in the evening, the testimony is that Mr. O'Donnell was in his room asleep with the window open. His open window was next to the registration office and not far from where Officer Towle stood when he blew his whistle later that evening.

Ellen Cunningham returned to Auburn from Augusta on the bus Sunday evening, arriving somewhere around 9 o'clock, and went directly to her room at the corner of Court and Pleasant streets, where she conversed with her landlady, Mrs. Garland, for about two hours before retiring for the night. On Monday morning Mr. O'Donnell states that he bought a paper, the "Lewiston Daily Sun," and entered the office; that the door was locked so that he had to use his key; that he went immediately to the back room and was there reading the paper when Miss Cunningham entered at about 7.30 A. M. There was a story in the paper that morning on an inside page about the attempted break the night before, but Mr. O'Donnell states that he had not yet seen the story or read it at that time. Miss Cunningham entered, using her key at the front door, and entered the cage door which was locked by using her key; that she found the safe locked, and opened it, using the combination from memory. She states that she opened wide the right hand safe

door, and the left hand door part way, and observed that the baskets were in the safe but empty. She called to Mr. O'Donnell, telling him the money was gone, and he came to the safe. The baskets had been completely emptied of their contents and had been piled back inside the safe, one inside another. The lock drawers and a compartment with a metal door on the front had been broken out, and the contents taken. There had been three or four metal cash boxes in the safe in which the clerks kept their change money, of which they had been assigned \$100 each. All of these, except Miss Cunningham's box, were gone. Everything had been removed from Miss Cunningham's box, except a few dollars in silver. The box showed signs of having been knocked about and the tray inside the box had been removed.

Miss Cunningham started to take out her box, but Mr. O'Donnell cautioned her not to touch anything. Mr. O'Donnell then called the sheriff's office, and afterwards called the Secretary of State, Mr. Robie, at Augusta. He also called Mr. Hood, as Mr. Hood remembers, asking him to come right over; but Mr. O'Donnell was later unable to recall when questioned that he called up Mr. Hood.

Mr. O'Donnell then walked to the rear of the building while Miss Cunningham sat in a chair, as she expresses it, "feeling all gone." Mr. O'Donnell called to Miss Cunningham, and asked her to come to the rear of the office. She went to the door at the head of the cellar stairs, and from there Mr. O'Donnell showed her the window near the head of the stairs on which the catch had been broken.

When questioned after the robbery by Sergeant Maguire, Mr. O'Donnell stated that he found the window closed. Under preliminary questioning by counsel for the Committee, Mr. O'Donnell stated he found the window raised 8 or 10 inches, which would be almost exactly as the officers testified they found it that night. In his testimony under oath before the Committee, Mr. O'Donnell stated that he found the window open 12 to 18 inches. If the window had been open 18 inches, it would have been practically wide open. If the testimony of Officers Towle and Grant is correct, and the window had not

been disturbed during the rest of the night, Mr. O'Donnell should have found it closed.

Apparently the next arrivals at the office were Sheriff Bridges, Inspector Eugene Cloutier, Deputy Willie Deshaies, and Officer Aubrey Patterson, who arrived at or about the same time. After a preliminary inspection of the premises, Officers Patterson and Deshaies began to powder the safe for finger prints.

When Mr. Robie received Mr. O'Donnell's call, he immediately called the Chief Inspector in charge of registration branch offices, Mr. Burdett Fowler, whom he reached at his home. Mr. Fowler apparently departed immediately for Auburn, and was next to arrive at the Auburn branch. Mr. Robie then called Chief Towle who in turn dispatched Officer Freeman of the State Police to Auburn, and Officer Freeman was the next to arrive. Chief Towle and Mr. Robie went to Auburn together, but they were delayed on the way and arrived somewhat later.

The crowd of applicants for registrations gathered early outside the registry door at Auburn, and at some time between 8.30 and 9.00 o'clock Mr. O'Donnell went to the bank, procured \$300 in change, opened the doors to the public and put the office girls to work as usual. Apparently no officer then present did anything to prevent this from happening, although it obviously hampered the investigation and may have resulted in the obliteration of important evidence.

Officer Deshaies was an experienced finger-print man with excellent equipment. While he and Officer Patterson were engaged in powdering the safe, Mr. Fowler ordered them to step aside and let the State Police proceed with the work. This they did, and shortly after, they packed up and left. All the officers present assert that this order was given, although Mr. Fowler denies it. Officer Freeman had arrived at this time, but he has no criticism of the way Deshaies and Patterson were proceeding, and he states that it was embarrassing to him to be ordered to take over their work before they had completed it. The officers disagree as to whether there were other prints which showed up under powdering; Officer Freeman states that there was but one print, which came out under powdering, and that this proved to be the palm

print of the left hand of George O'Donnell. This print appeared on the outside of the left hand safe door, in the position and at a height where it would have been likely to have been made if George O'Donnell in closing the safe door used the palm of his left hand to push the door closed. Officer Freeman refers to this print as a "fresh print."

There was a card which bore the combination of the safe which was kept among other papers in the top drawer of Miss Cunningham's desk. This drawer was not kept locked. Mr. O'Donnell usually referred to this card when he opened the safe, and it does not appear to have been used by anyone else. This card was found in its usual place after the robbery, and there were no signs of disorder in the drawer or any indications that the card had been used and returned to the drawer. However, it is significant that no effort was made by anyone to secure finger prints from the card or from the desk around the desk drawer, and no effort was made to secure prints off the cash box which remained after the robbery. There is some disagreement among the officers as to whether there was a hand print in the dust on the top of the rail which ran along the top of the cage partition. If such a hand print existed, no print analysis was made of it.

The window, which bore jimmy marks, was subsequently removed and taken to the sheriff's office. The Committee had the window brought to Augusta, and examined it. In the woodwork on the outside bottom edge of the window frame was a depression such as might be made by exerting pressure with a tool of some sort, such as a pinch bar. This depression was about  $\frac{3}{8}$ " deep in the deepest place. The window frame appears to be soft pine. The evidence that the window glass had been wiped on the inside all around the edge of the panes was still apparent at the time of examination by the Committee. The catch had been forced, either by pressure from the bottom or by use of a tool upon the catch itself. Under pressure from whatever source, the catch, which was held by two small screws, partially split off a piece of the window sash, the split line being in line with the two screws. There appeared to be a tool mark inside this split. It is the opinion of the Committee that a careful laboratory

check of this window under proper conditions might have indicated that the window catch was not actually broken by pressure applied to the bottom of the frame, but was broken by use of a tool used upon the catch itself. The question, however, as to whether entrance was actually gained through the window or whether the jimmying of the window was done as a blind is still unanswered. Officer Freeman gave it as his opinion that the woodwork all around the window as well as the panes had been wiped free of prints, and that insufficient pressure was exerted from the bottom of the window to break the catch. In other words, it was his opinion and the opinion of many of the other officers that the jimmying of the window was done to create a false impression that the break was an outside job.

Officer Freeman states that he protested to Mr. Fowler that it was difficult if not impossible to work effectively with the public transacting business in the office, and that although Mr. Fowler agreed to this, he did nothing to clear the office. After Chief Towle and Mr. Robie arrived, Chief Towle called Sergeant Maguire of the Portland Police Department, and asked him to do some questioning of witnesses. Sergeant Maguire arrived with a stenographer somewhere around noon. There is no indication that there was any lack of cooperation between the various investigating departments up to that time, except for whatever feeling was engendered when Mr. Fowler ordered the other men to cease their fingerprint work, and step aside. There appears, however, to have been some confusion in the minds of all those who worked on the investigation as to whose responsibility it was to act as head of and direct the investigation work. This confusion was apparently created in part at least by the fact that this was a state-operated office, and the question seems to have arisen in the minds of the authorities as to whether in such a case it was the duty of the sheriff and local police or the duty of the State Police to direct the investigation. This confusion has apparently continued down to the present time, and it may perhaps be fairly said that this Investigating Committee has furnished the first clearing house ever provided for the gathering together in one place of all of the inform-

ation obtained by the various agencies who worked on the case in one way or another.

A day or two after this break was discovered, Chief Towle was removed by the Governor and Council. The Committee examined both Ex-chief Towle and Governor Barrows as to the reason for his removal, and both agreed that the removal was in no way connected with Towle's participation in the robbery investigation. The specific charges against Towle were that he had enlisted one or two men who could not meet State Police entrance qualifications, and had used his influence as State Police Chief to induce the Ford Motor Company to install a new block in a Ford car without charge for a Mr. Maloney. Governor Barrows and Ex-chief Towle disagree as to whether Chief Towle was refused a public hearing. Mr. Towle claims that he was refused a public hearing; Governor Barrows states that a request for a public hearing by Mr. Towle's attorney, the late Harold Weeks, was granted but later withdrawn by Mr. Weeks after he learned of the facts in possession of the Governor and Council. Although it is agreed by all concerned that there is no connection between Chief Towle's removal and the Auburn robbery investigation, it is probably fair to state that the removal of Mr. Towle followed so closely upon the discovery of the robbery and the subsequent investigation, that there was created in the minds of those working on the case at Auburn the erroneous impression that Mr. Towle's removal was in some way associated with the investigation. Obviously such an impression, even though erroneous, would not be conducive to a spirit of confidence and cooperation among the investigating officers.

Sergeant Maguire, although urged to remain on the case by Deputy Chief Young after Mr. Towle's removal, states that he felt that he was there by invitation of Mr. Towle and that as Mr. Towle had been removed, that he had best withdraw and that he did voluntarily withdraw from the case. On a later occasion, Sergeant Maguire, while commenting to friends at the Portland Boys' Club on the conditions which had obtained at the Auburn Branch prior to the robbery, stated that would have been pos-

sible for shortages under the system to run as high as \$200,000 and not have been discovered. He says that this statement, which was overheard by a reporter, was misinterpreted by the press and others to mean that he thought there was as much as \$200,000 stolen out of the safe at Auburn. He was summoned before the Governor and Council to explain this statement, and to give any information which he might have to support it. He states that he did not trouble to fully explain to the Governor and Council exactly what he had said, or what he had meant, and apparently left them with the impression that he had in fact made the statement as quoted by the press. In any event it does not appear that anyone ever ordered him to cease the investigation he was making.

A few days after the investigation started, one Robert Burns, a Boston detective, appeared at Auburn and announced to the officers that he had been sent there by the Governor, not to investigate the robbery, but to investigate the law-enforcing officials working on the case, and to find out why they were at odds and making no progress with the investigation. Governor Barrows states that if Mr. Burns made this statement, he did so without instructions or authority, and without any justification whatsoever. The Governor states that from the information that he received, it appeared to him that some person with more training and experience in crime detection or investigation than was available here in the State might be useful and helpful in assisting in solving the crime; that he called Governor Hurley of Massachusetts on the telephone and that Governor Hurley recommended the Robert Burns agency to him; that arrangements were made through Gov. Hurley by which Mr. Burns came to Augusta and after talking briefly with the Governor, was given full information up to date by Mr. Robie. Mr. Burns was sent to Auburn to try to solve the robbery. Shortly after his arrival there, he requested that Mr. Burtis Fowler be assigned to him and this was done. Thereafter Mr. Burns made repeated efforts to get the Governor to put Mr. Fowler in sole charge of the investigation and also tried to persuade the Governor to pull the other State Police

officers and the sheriff's department off the case. These things the Governor refused to do. Mr. Burns appears to have been intoxicated at least a part of the time while he was on this case in Lewiston and Auburn, and practically no witnesses who met him or had any contact with him while he was there can recall talking with him when he did not have the odor of liquor on his breath. Gov. Barrows made his entire file on the Auburn robbery investigation available to the Committee, and an inspection of that file as well as the Governor's testimony indicates clearly that the relations between Mr. Burns and the Governor rapidly became strained and resulted in a series of letters back and forth in which the Governor was demanding reports of Mr. Burns' activities on the case, which he never received, and in which Mr. Burns was demanding payment for his services and even threatening suit to collect the same. The Governor frankly admits that when he finally dismissed Mr. Burns, he recognized that a sum of money of approximately \$3,000 had been spent by the State uselessly. The Governor termed the entire relationship with Mr. Burns an unfortunate experience. No evidence has come to the attention of the Committee which in any way indicates that Mr. Burns or his operatives ever performed any useful service in the investigation. But on the other hand, there is much evidence which indicates that the presence and activities of Mr. Burns and Mr. Fowler created a great deal of friction as well as ill feeling among the various investigating officers.

Shortly after the removal of ex-Chief Towle, Chief Healey was made head of the State Police Department. He employed the William J. Burns Detective Agency of Boston, a competitor of the Robert Burns agency, to conduct an independent investigation of the Auburn situation. The daily reports from this agency were sent to Chief Healey at his home and the Agency was paid out of the State Police appropriation. This Agency had worked on some previous cases under the direction of the Attorney General's Department and the Burns Boston office manager, Mr. George Breach, was apparently believed by the Attorney General to be an experienced detective. The

daily reports of the operatives working on this case have been made available to the Committee and are entirely unimpressive. Each operative apparently received a per diem fee of \$10.50 plus rather liberal expenses and a substantial sum was paid to this Agency out of State Police funds. The activities of this Agency after the first month or so apparently resolved themselves into an effort to catch up with and get a story from a suspect whose name is unimportant but who is alleged to have been a Massachusetts thief. In fairness to Chief Healy it should be noted that he came into the case only a few days after the crime was committed. Major Healy frankly admits that although he employed this agency in good faith, this also developed into an unfortunate and unprofitable experience. It is fair to assume that Chief Healy is not apt to make similar arrangements in the future. The Committee believes that there was nothing done by this agency on this case which could not have been done as well or better with the co-operation of Massachusetts officials, without expense to the State of Maine. When Major Healy realized after some months that no apparent progress was being made to justify a substantial expenditure, he terminated the employment. It is interesting to learn, however, from the testimony of the Attorney General, Mr. Burkett, that his confidence in Mr. George Breach, who has now severed his relationship with the William Burns Agency, remains unshaken, and that he (Mr. Burkett) subsequently employed Mr. Breach to continue his work on the Auburn case and so far as the Committee knows, Mr. Breach is still receiving compensation from time to time from the Attorney General's office for work on this case.

During the investigation two or three safe experts were called in and asked to examine the combination to the safe and ascertain whether in their opinion the safe was probably opened by use of the combination dial but without knowledge on the part of the thief as to what the combination was. These men gave it as their opinion that it would be a very long and difficult operation to get the safe open without the combination, and further gave it as their opinion that whoever opened the safe either knew

or had access to the combination. It is very hard to determine with any accuracy how many people knew or had access to the combination. The safe had at one time been owned by a shoe shop. It had been under the control for a time of Mr. Runnells, who had the combination set down in his notebook, and in addition knowledge of the combination or the whereabouts of the combination card was known to practically all of the people in and about the office.

As to the robbery itself, it is possible for it to have been either an inside or an outside job. If it was an outside job, then we must probably accept the theory that the window was actually jimmied and used as a means of entrance and probably of exit; that either the cage door was unlocked, which seems unlikely, or that the thieves had gained access to a key to the door; that the thieves had in some way learned what the combination was or had learned the whereabouts of the combination card. If the card was used, there must still be explained why the thieves would trouble to put the card back in its usual place without disturbing the contents of the drawer, and why the thieves would carefully pile the baskets back in the safe as well as the splinters off the floor, and why they would carefully close and lock the safe and close and lock the cage door after them when they left. If it was an outside job, it would appear to be indicated that it must have occurred sometime between the hours of 11 P. M. and 1.15 A. M. The only indication of haste on the part of the thieves was the leaving of one cash box with several dollars of silver in it, whereas the piling of the baskets and other acts of clearing up indicate a surprising lack of haste.

If it was an inside job, then presumably the jimmying of the window was a blind, and although the window, which could have been fixed beforehand, was undoubtedly raised 8 or 10 inches between the hours of 11 P. M. and 1.15 A. M., it does not have to follow that the money was actually taken between those hours, as it could have been taken anytime during Sunday after Miss Martin locked it up for the last time. If it was an inside job, the thieves were somewhat inconsistent inasmuch as the open window was apparently designed to

make it look like an outside job, but the piled baskets, etc., make it look like an inside job. If it was an inside job, then necessarily the field is somewhat more limited. There is nothing in the investigation of the three clerks, Miss Cunningham, Miss Martin, and Mrs. Audibert, which indicates any participation, direct or indirect, on their parts.

As to Mr. George O'Donnell, he has been very naturally from the very beginning the object of a very close scrutiny by the investigating officers and by this Committee. Prior to this robbery, his life could apparently be characterized as that of a happy-go-lucky, irresponsible individual whose interests were scarcely in keeping with what may be fairly expected from an officer in the State Police Department. He had been unfortunate in the choice of at least some of his friends. It may be stated in passing, however, that these individuals were all carefully investigated by the various officers who worked on the case and there have come to light no indications as yet that any of them participated in this affair, or that George O'Donnell, either while sober or intoxicated, directly or indirectly furnished them the information which they would need. It has further appeared since the robbery that Mr. O'Donnell was guilty of at least some irregularities and defalcations (which will be discussed elsewhere) which indicate that prior to the robbery he was not strictly honest. Since the robbery, Mr. O'Donnell has been court-martialed and dismissed from the service, has had no steady employment, and has over a period of two years and a half given no outward indication of any unexpected or unexplained prosperity; in fact, it might be stated that the exact opposite is indicated.

Mr. O'Donnell has in his favor the fact that he made a very substantial deposit after banking hours on the Saturday before the robbery, which he might have avoided making if he had any part in plans to steal money over the weekend; also the fact that he has, as already stated, showed no appearance of any prosperity since the robbery.

On the other hand, there still remain certain unexplained facts. First, the fact that he did not hear the penetrating police whistles blown almost under his open win-



dow, and did not pay any attention to the repeated ringing of his bell by the officer at 1.15 A. M. Secondly, the fact that he has given various versions of the story at different times; these versions being hard to reconcile. Thirdly, the fact that although all the girls in the office, Mr. Hood, and Mr. Mills, the secretary of the Auburn Chamber of Commerce, had keys to the cage door, George O'Donnell had none, at least at the time of the robbery. Fourthly, the fact that the left-hand palm print of George O'Donnell was on the safe door in the position and at the height and location on the door where it would be most likely to be if the door were being closed when the print was made.

In this connection it may or may not be significant that the print was apparently a fresh print; that it was the only print; that George O'Donnell states absolutely that he had not closed that safe at any time for more than two days; and that the finger prints of George O'Donnell's left hand, which might have been expected to accompany the palm print, were entirely absent. It might also have been expected that the prints of other employees and especially Miss Martin, the last known person to lock the safe, would be found on the safe.

Fifthly, the fact that the undated \$200 check, which George O'Donnell states absolutely was in the safe and went with the other things taken by the thieves, later was found by Officer Graves, who is now in charge of the Auburn registration office, between the leaves of a pamphlet of motor vehicle laws in that office. It may be stated in all fairness that there may be a valid and satisfactory explanation for every one of these facts, but up to the present time Mr. O'Donnell has not offered any satisfactory or credible explanation.

Mr. Burtis Fowler was at the time of the robbery and had for some years been the Chief Inspector of Motor Vehicle Registrations and was in charge of all of the inspectors, who in turn were in charge of the various branch offices. Mr. Fowler had admittedly known of Mr. O'Donnell's drinking habits and undesirable associates, but had made no effort to have him removed, although he was Mr. O'Donnell's immediate superior officer.

Mr. Fowler, when asked whether it was snowing on the evening of

February 27, 1938, stated that he remembered that it was; that on that evening he drove to the Blaine Mansion and spent the evening there from about 6.30 to 7.00 P. M. to 12.30 to 1.00 A. M.; that Governor and Mrs. Barrows, 'Buddy' Barrows, Commissioner Carroll Blaisdell and Mrs. Blaisdell, were all present. Investigation shows that Mr. and Mrs. Blaisdell were at home that evening where Mr. Blaisdell was under a doctor's care, and that 'Buddy' Barrows was in Arizona. Gov. and Mrs. Barrows are positive that Mr. Fowler was not at the Blaine Mansion that evening, and that at no time did he ever stay at their home after 10.30 P. M.

So far as can be now ascertained, there was in the safe at the time of the robbery an application card for motor vehicle registration filled out by Deputy Sheriff Arthur Lachance of Auburn, Maine, which bore no rating or rate number but which had the registration number written in figures in George O'Donnell's writing in the upper right hand corner. This card should have had clipped to it the money which Mr. Lachance paid. Sometime after the robbery Mr. Lachance received in the mail from Augusta his permanent registration together with this original application card. Upon investigation it was found that there was in the Secretary of State's office another application card which was a duplicate of this one but Mr. Lachance is certain he never made out but one. There is no explanation as to why there should be two cards, or as to why any original application card should have been returned to Mr. Lachance. If the card cleared in the usual way and went to Augusta before Saturday night, it may have no significance as far as the robbery is concerned, but if it was in the safe at the time of the robbery, there is no explanation as to why it should later emerge in the Augusta office and be returned to the applicant.

The cards are in the hands of the State Police and will be the subject of further investigation. As yet no one has been able to offer any sort of explanation for the transaction, but it is impossible at this time to know exactly what if any significance should be attached to it.

In all fairness it must be stated that either by extreme cleverness or good luck on the part of the thieves, this robbery presents a great many

difficulties in solution, and the various investigating agencies cannot perhaps be blamed too severely for their failure to solve it. One unusual circumstance is that the Governor and Council have kept outstanding a reward of \$2,000, but this reward has not provoked even the usual number of crank letters and false clues, much less leads of real merit. However, it must be stated that the investigation, as it was conducted by the various law enforcement agencies involved, is not one in which any of them can take any pride. The various officers and agencies appear to have been working in a state of utter confusion, each independently of the other, without any trust or confidence in each other, and without any directing or guiding head or central clearing house in which all information could be gathered, sifted, and reviewed.

For example, Officer Freeman stated that so far as he could recall from the time that he did his work at the Auburn office until the time he went over his findings with Counsel for the Investigating Committee, no one had ever sat down and gone over carefully with him his work and his findings. The record of the investigation throughout is one of inefficiency and blundering. This criticism is directed, however, mainly at those who were in charge or who had the responsibility of heading up the investigation. For the most part, those officers who were in the ranks carried out their assignments and followed instructions faithfully.

Mention has been made of an automobile found in Kennebec County which had formerly been a State Police car and which was said to have contained some of the missing applications and money lost at Auburn. Sergeant Merle Cole was detailed to investigate this car.

He found the car in the hands of a Mr. Sproul of Windsorville, Maine; that car had been purchased from a Mr. Shaw who is a car dealer. The car had originally been a State Police car and was first assigned to Lieutenant Shepard. When Lt. Shepard turned it in, it was used as a spare car by different officers. The car was finally assigned to Inspector Philip Graves and for a long time prior to the Auburn robbery and subsequent thereto, it was being used by Inspector Graves in Aroostook County.

While Mr. Shaw had the car, he lent it to one of his mechanics for a wedding and while the car was being cleaned up, a chauffeur's license with three mutilated dollar bills was found. The mechanic redeemed the money and later reported the matter to the State Police. Sergeant Cole examined the car very carefully, even removing the back cushion and both seats. He found nothing which aroused his suspicion or caused him to believe the car had been used in the Auburn crime.

Recently about 75c was found in the car, and Sergeant Cole again examined it. He found that two or three men besides Mr. Sproul drive the car and felt that it was not surprising that some loose change had dropped down under the seats. There is no cause for belief that this car was involved in the affair at Auburn.

The Bangor "News" offered to make available to the Committee all of the information it had relative to the Auburn Robbery, so-called, whereupon a visit was made by a member of the Committee and counsel to the offices of the Bangor News for the purpose of securing from that source any information which might be of value to the Committee in the conduct of its investigation.

The "News" offered to make available to the Committee the O'Donnell court martial notes in complete form and also Inspector Cloutier's file covering investigations made for the "News" as pertaining to the Auburn robbery, which information the Committee already had at its disposal.

The "News" produced an affidavit by a Mr. Young relating to the money found in a car traded off, which had previously been used by the State Police Department. This lead had already been followed and a report is included in this report.

The "News" representative stated that his paper had no further information to give concerning the Auburn Robbery and upon inquiry as to any information relating to the Governor and Council or any of the State Departments, stated that there was nothing else they could offer.

The Committee appreciates the courtesies extended to its representatives by the "News" at its Bangor offices.

**Irregularities at the Auburn Branch**

In 1935 and prior thereto, George O'Donnell, while working at various times during the rush periods, made change out of the cash allotted for change purposes to the girls in the office, and either due to his carelessness or for some other reason, shortages in the cash occurred which the girls had to make up out of their own pockets. To stop this practice from continuing, Miss Cunningham, the chief clerk, requested of Mrs. Seigars in the Augusta office that arrangements be made to allot cash to George O'Donnell for change purposes so that he would have his own to use and be responsible for it as the girls were for theirs.

This arrangement was made, and Mr. O'Donnell was allotted \$200 for change purposes which sum was deducted from a deposit of office collections and carried on the books as 'cash on hand.' The sum of \$200 was put into George O'Donnell's cash box, but not very long after that, the money disappeared and an undated check for \$200, signed by George O'Donnell, appeared in place of the cash. This check apparently remained in the safe, so far as anyone knows, down to the time of the robbery, and during a substantial part of that period, according to his own statement, there were no funds in Mr. O'Donnell's checking account to make the check good if it had been presented for payment.

Miss Cunningham reported to Mrs. Seigars in the Augusta office that the \$200 in cash had disappeared. She also took the matter up with Mr. O'Donnell, who stated that he had personally got in touch with the then Secretary of State, Mr. Barrows, and had received permission to keep the \$200 out indefinitely. Miss Cunningham says that she assumed Mr. O'Donnell was telling the truth and notified Mrs. Seigars that Mr. O'Donnell had made personal arrangements with the Secretary of State and that she need not bother about the matter further.

This is the same \$200. check previously referred to which is supposed to have passed through the robbery and emerged from between the pages of a pamphlet in the Auburn Registry office, where it was later discovered by accident by Inspector Graves.

The facts relating to this \$200 constituted one of the charges proved against Mr. O'Donnell when he was court-martialed, but so far as has appeared, no steps have ever been taken up to the present time by the State to attempt to recover this \$200 or any part of it.

In November of 1937, Miss Cunningham received a request from Mrs. Agnes Faulkner, Chief Registration clerk in the Augusta office, for two applications which had not come forward from the Auburn office to the Augusta office. As a matter of fact, the letters of request came to Mr. O'Donnell and were turned over by him to Miss Cunningham. Apparently the matter had come to Mrs. Faulkner's attention because applicants were seeking transfers of registrations to new motor vehicles and the Controller's office was demanding the excise tax receipts which should have come in with the applications.

Miss Cunningham states that she was unable to locate the missing applications, and that she so reported to Mrs. Faulkner. Mrs. Faulkner then wrote to Miss Cunningham that a careful check had been made in the Augusta office and that the applications must be in the Auburn office and asked her to look again. Miss Cunningham made a more thorough check in the Auburn office, and found one of these applications with the money missing tucked into the pages of an aviation book owned by Mr. O'Donnell and kept in the back of the office. She found the other missing application among some of George O'Donnell's personal papers in the back of the office, this also with the money missing. Miss Cunningham then called the applications to Mr. O'Donnell's attention, and he refused to concern himself with them in any way. Miss Cunningham was very much disturbed. She put the applications in a basket on her desk and wrote a personal letter to Mrs. Faulkner, telling her what she had discovered. Mrs. Faulkner replied by simply requesting Miss Cunningham to send her the excise tax receipts, which she did. Mrs. Faulkner apparently made no further effort to clarify the transaction, nor did she take the matter up with Secretary of State Robie, her superior officer. Under examination by the Committee, she showed a surprising lack of concern over these irregular transactions, and

took the position that the procedure might be properly looked upon as merely a routine procedure. The applications themselves had apparently been in Mr. O'Donnell's hands for many months. Miss Cunningham states frankly that as she received no further instructions and did not know what to do, she put the applications in her basket where they remained. It is apparent that Miss Cunningham felt that she had done her duty by reporting the entire matter to her superior.

Miss Cunningham also found at the same time two other applications with the money missing in the safe in the drawer which was used exclusively by George O'Donnell. These she did not report, because of the fact that no action had been taken on the two she did report, and she felt that the Augusta office apparently was not interested in these irregularities. These applications, so far as she knew, remained in the safe at the time of the robbery and apparently disappeared along with the other stolen material. During the investigation, Miss Cunningham gave information about these cards to Sergeant Maguire and Mr. Robie, after the investigating officers had found the application cards in her basket during their search of the premises.

The shortages represented by the money missing from the application cards furnished the basis of certain charges against Mr. O'Donnell at the court-martial proceedings, but there is no indication that any steps have ever been taken by the State to proceed against Mr. O'Donnell to recover from him any part of, or all, of the missing money.

Mrs. Faulkner admitted that the receiving by her of a personal letter from Miss Cunningham about these particular transactions would tend to indicate that there might be something irregular about the transactions. Investigation shows that there were definite irregularities and laxities in the Auburn office prior to February 1938 which did not exist in other branches and which necessarily came to the attention of Mrs. Faulkner, either through her correspondence with the branch or her tours of inspection of the branch, and that nothing was done by anyone to correct these things. Mr. Robie usually accompanied Mrs. Faulkner when she

went to the branches, so that any practice which could be observed on a visit to the branch, such as that of admitting the public inside the cage, must have been apparent to Mr. Robie and he must assume his share of the responsibility. But there is no indication that Mr. Robie was ever informed of the irregular transactions of Mr. O'Donnell, and the responsibility for not following these through in a proper way is necessarily Mrs. Faulkner's alone.

#### **Recommendations:**

That the testimony and evidence concerning these alleged irregularities on the part of George O'Donnell be submitted to the Grand Jury of Androscoggin County.

#### **Operations in Branches**

Prior to 1938 the branches were organized as follows: Each branch was under the supervision of an inspector who was a State Police officer assigned to the Secretary of State's Department, paid out of funds of that department, and having by order of the Governor and Council the rank and pay of sergeant. Under him were a chief clerk and the several registration clerks. These officers in charge of the branches were under the direction and supervision of Mr. Burtis Fowler, who, by order of the Governor and Council, had the rank and pay of captain. These men conducted drivers' examinations and inspected garage inspection stations in addition to their motor vehicle registration work. There was apparently a division of jurisdiction between Mr. Fowler and Mrs. Faulkner, with Mr. Fowler supervising the examination and inspection work and Mrs. Faulkner supervising the motor vehicle registration work.

Each girl in the branch offices put through entire transactions. She would receive application cards and excise tax receipts, would compute the amount due, would write that amount and her identification number on the card, together with the number of the registration plate assigned, would accept the money and issue the plates and registration certificates. During rush periods, however, when crowds of people came to the branches, it was impossible for the office to put an entire transaction through while the customer waited, and at this time the girl would rate the card, clip the money to the card, issue the

plates and a temporary certificate, and deposit the application card, excise tax receipt and money, clipped together, in a basket, which would later come into the hands of the chief clerk. The chief clerk would complete the transaction and deposits of money and checks taken off the cards would be made from time to time as the work cleared. Later the applicant would receive through the mail his permanent registration certificate. In this way the baskets of material containing money and checks would be kept in the office over night or over a weekend in the office safe.

Since 1938 the system in the branches has been revised. Only one girl at a time now handles the money, although they take turns at the cash register and the other clerks simply rate the applications and the customers go to the cash window to pay for and obtain their plates. Banking facilities are arranged for so that each day's business clears and large amounts of money are not carried over night in the branch offices. More rigid rules are in effect, particularly in Auburn, where the most laxity existed. One rule, for example, now prevents the public from coming in back of the windows. An additional check is furnished by the fact that even though the girls take turns to some extent on the cash window, one girl at a time can be held directly responsible for the accuracy of the business transacted while she is on the window.

In Augusta the application cards are filed in one place; the duplicate registrations are filed in another place; and the excise tax receipts are sent to the Controller's office.

The question has arisen as to whether any useful purpose is served by having State Police officers in charge of these branch offices. All of the State officials questioned on this point were unanimous in the opinion that this system should not be changed. The arguments advanced were that the presence of a police uniform in an office of that type is a good thing from the point of view of law and order, and that the work of inspections and examinations fits in very well with the work of supervising the branch office. The Committee feels, however, that there is some indication that the duties of an officer detailed to supervise a branch are nowhere near as arduous as those of a patrolman on regular duty, and that

it is bad for the morale of the State Police force to have this situation exist. Further trouble has been created by the fact that these men receive the rank and pay of commissioned officers by order of the Governor and Council and without having taken examinations or having received their promotions in the usual way. The suggestion has been advanced that a branch could be as well managed by a civilian employe without this detrimental effect on the morale of the State Police force. It should be noted that the evidence shows that in any event these inspectors average to be away from the branch offices an average of four or five days a week.

By a very recent order of the Governor and Council, passed while this Committee has been in session, Mr. Fowler has lost the rank of captain and become Chief Inspector, and the men under him in the branches have lost the rank of sergeant and have become Inspectors. By the same order, however, they are permanently assigned to the Secretary of State's Department and receive the pay of either captain, lieutenants or sergeants. Under this order, State Police Regulations No. 11, paragraph 2 reads as follows:

"Members of the State Police thus assigned shall be permanently assigned to the office of the Secretary of State, and shall be subject to all laws, rules and regulations governing the State Police. They shall be released from this assignment only upon agreement of the member thus assigned, the Secretary of State, and the Chief of the State Police, or by order of the Trial Board."

#### **Wages and Personnel**

The work done in the Secretary of State's office by the main body of clerks may roughly be divided into the following principal subdivisions: corporations, elections and ballots, filing, and automotive registration. Except for Mr. Robie and the deputy secretary of state, Harold I. Goss, the employes' pay ranges from \$14 to \$48 per week. Some additional employes were taken on in conjunction with the Title Law, but most of these were released when the law was repealed.

Mr. Wallace Brown, who was first appointed in connection with the Title Law work, has been retained and appears to be carried by the department as file supervisor at a salary of \$45 a week. Mr. Robie stated that "he did not know of" Mr. Brown having any special

training in filing or coordinating a filing system, and he actually employs his time in comparing one typewritten card with another for accuracy, which Mr. Robie calls "verifying work," a service which presumably could be efficiently performed by a \$15 a week file clerk. The actual supervision of filing is apparently done by a Miss Mosher, who, Mr. Robie testified, is an extremely efficient, well trained filing clerk with about 20 years' experience in the department. With further reference to Mr. Brown, when asked what Mr. Brown would do after all the cards had been verified, Mr. Robie stated to the Committee as follows:

"What I was planning to do with him was to put him in general charge of all of the filing"  
And,

"But probably his major duties would be in the preparation of the list of stolen cars and the following up of stolen cars when these do appear."

And later Mr. Robie stated,

"I might say, of course, if you want to go into what my plans are, I hope—I don't know what the developments are going to be—but if the set-up of the office remains, there would come a time when they would depute another deputy in the Secretary of State's office, who would be assigned to the Motor Vehicle Division, the same as Mr. Goss is assigned to the Election and Corporation Division at the present time, a man who could then be used in a great deal of this court record work which the Secretary attends to personally at the present time, such as hearings on suspensions and revocations, which is almost one man's work."

It has apparently been the practice in the past for the Secretary of State to recommend in certain cases salary changes, usually increases, which recommendations went to the Personnel Board for approval and then to the Governor and Council for action. The success or failure of these salary change recommendations has apparently depended upon whether the employe in question knew the right people with the right political influence. Moreover, the Governor and Council have on occasion entirely disregarded the recommendations of the Secretary of State and the Personnel Board, and have on

occasion added to the list of names submitted by the Secretary of State names of their own selection, and the amount of increase in salary, without consulting either the Secretary of State or the Personnel Board. For example, our information is that one clerk has only received one \$2 raise in 20 years, whereas another clerk with many less years of service has received three separate raises in one year's time, totaling altogether \$5 a week, all by order of the Governor and Council. This same clerk received the last one of these raises when her name and the amount of her raise was added by the Governor and Council to a Council order without the knowledge or recommendation of the Secretary of State. The Committee cannot believe that such promotion methods, which do not give due regard to efficiency and length of service, and which are largely political in their nature, can be conducive to good morale in any organization.

Furthermore, there is no indication that the Personnel Board in any way operates to interfere with these political wage and employment adjustments. Mr. Robie has presented a chart incorporating his projected organization set-up, which would presumably have to have the approval of the Personnel Board and the Governor and Council. His obvious intention as to getting the wage and promotion system on a sound and fair basis is praiseworthy. But it must be noted that he has set up all of the employes who have been elevated by the Governor and Council in the same positions and in the same brackets to which they were so elevated by the Governor and Council. His chart in no way indicates any intention to place any of these employes in the brackets where they would probably be on a basis purely of efficiency and length of service.

The Committee in an off-the-record discussion received information from a well-known business machine company as to a photostatic motor vehicle registration and license machine, which it is represented would save all overtime on registration work and would, it is alleged, cut down the number of employes and reduce the overhead expense in the Secretary of State's office.

It may be noted that there are ninety-seven or eight employes in

the Secretary of State's Department at present. It is admitted that the filing is several weeks behind at the present time.

**Recommendations:** That in view of this Committee's findings that the business of the Motor Vehicle Registration division has grown beyond the limits within which it is properly constituted as a subdivision of the Department of State, it is recommended that a separate Department of Motor Vehicle Registration be established which shall be constituted separate and apart from the Department of State.

#### **Chief Inspector of Motor Vehicle Registration.**

The Committee had brought to its attention from numerous sources information concerning the activities of Chief Inspector Burtis Fowler which seemed to require and did result in a careful investigation of all of these activities. Mr. Fowler had been in the State Police Department for about 19 years. He was the first man to be assigned to the Secretary of State's office as Inspector, and when the branch registration offices were established, he was put in charge of this work and the State Police officers who were detailed to the Secretary of State's office were placed under his supervision. As has already been stated, he was elevated from the ranks up through to the rank of captain without passing through the examinations and regular promotion system, entirely by order of the Governor and Council.

It is obvious that he has always been active politically, and that he has been generally credited by all State employees, including heads of departments, with having a great deal of political influence. In this connection it may be noted that after Mr. Fowler testified before the Investigating Committee, he made numerous contacts in various parts of the State which resulted, whether or not at Mr. Fowler's behest, in the contacting of various members of this Committee and Counsel for the Committee by various persons including prominent attorneys in the State of Maine on Mr. Fowler's behalf. The Committee was on the whole unfavorably impressed by these efforts.

When Mr. Fowler bought his first aeroplane, in partnership with George O'Donnell and a man named Legere, they formed a voluntary association known as the Kennebec

Fliers. The airplane was later destroyed by fire, and this apparently terminated the original association, but Mr. Fowler has continued down to the present time to do business under the name of "Kennebec Fliers." The State of Maine leased certain property at the Augusta Airport to the Standard Oil Company of New York and the Colonial Beacon Oil Company, which leases call for a minimum payment of \$200 per year plus 1c a gallon on gasoline sold from the rented property over and above 20,000 gallons per year. These companies sublet to Mr. Fowler under the name of "Kennebec Fliers" and Mr. Fowler states that in transacting business, he has signed as either president or secretary of the alleged company. This company has never been incorporated. Mr. Fowler has actively operated gasoline pumps under his contracts with the gasoline companies at the airport, and has used State employees at the airport to pump the gasoline without paying them any compensation. He has occasionally given them relatively small tips but there has been no regular arrangement for compensation. In fact, it appears that until very recently these State employees who were employed as attendants at the airport believed that they were pumping gasoline of the State of Maine and not the property of Mr. Fowler. The Committee finds that there is a rule or regulation of the State Police Department prohibiting any State Police Officer from engaging in any regular outside business. It is the opinion of the Committee that Mr. Fowler's operation of this gasoline business at the airport, as well as a pump which he maintained at Island Park, must necessarily have taken up time and attention which he was employed to devote to the State of Maine.

In 1936 the then Secretary of State, Mr. Barrows, became a candidate for Governor of Maine. Mr. Fowler approached Mr. Barrows and suggested that he (Fowler) could secure a campaign contribution from the Barry Trucking Company, in Massachusetts, a trucking concern. Mr. Barrows states he asked Mr. Fowler if there were any strings on the gift, and Mr. Fowler replied that there were not. Mr. Barrows states that later Mr. Fowler went to Boston and returned, bringing with him an envelope from the Barry Company containing \$500 in bills,

which Mr. Barrows received and used for campaign purposes. Mr. Fowler in his testimony has given several versions of what happened. He first testified that Mr. Barrows called him up and asked him how soon he could go to Boston; that he replied to Mr. Barrows that he could be ready in about 20 minutes; and that Mr. Barrows called for him in about 10 minutes, before he even had time to change his clothes. They then proceeded to Boston, called on Mr. Barry, and that Mr. Barry gave Mr. Barrows the money, and that he (Fowler) did not handle the money, did not even know whether it was cash or a check, did not learn until later when Mr. Barry told him, how much money was involved. At a later interview, Mr. Fowler testified that he and Mr. Barrows went to Boston together, as he had previously stated, but that when they got there, Mr. Barrows sent him (Fowler) alone to Somerville to contact Mr. Barry, while he (Mr. Barrows) transacted some other business in Boston; and that he brought the money back to Mr. Barrows. In his testimony, Mr. Fowler attempted to insinuate and say that there had been some sort of a promise made by Mr. Barrows to Mr. Barry as to concessions on the transportation of liquor for the Liquor Commission in return for this \$500 contribution, but when Mr. Fowler tried to explain just when or how this promise was made, he became hopelessly confused. At one time he tried to say that the conversation took place in the Governor's office, and then became aware of the fact that at the time of the contribution Mr. Barrows was not even Governor, and was not occupying the Governor's office. He did testify, however, that although he had never heard Mr. Barrows make any promise or commitment, at the time he got the \$500 from Mr. Barry in Somerville, he did take and receive the \$500 believing and understanding that a promise had been made by Mr. Barrows as to concessions for the Barry Company. The question immediately arises as to whether it is not conduct unbecoming a police officer if not violation of the statute for a police officer to accept a campaign contribution for a State official with the belief or understanding that a promise of an illegal concession to the donor had been made by the official. As to the question whether or not Mr. Bar-

rows did make any promise or concession, the Committee has first the absolute denial by Gov. Barrows under oath that any such promise was made, and has secondly the result of its investigation showing that since that time the Liquor Commission with the approval of the Governor has instituted a system whereby all liquor is brought into the State by rail, and the Barry Company as a large interstate carrier has apparently been one of the principal losers thereby.

On one occasion a Barry truck and trailer combination was impounded by Lieutenant Watts, who was assigned to the Public Utilities Commission, for improper registration of the trailer. The truck was impounded at the State Highway Garage, and Mr. Fowler went to the Garage and attempted to persuade Mr. Watts to release the truck. Being unsuccessful in this, Mr. Fowler then contacted Councilman Cony Weston who in turn contacted Commissioner Carroll Blaisdell of the Public Utilities Commission. Mr. Blaisdell interviewed Mr. Watts, and after hearing his recital of the facts, instructed him to proceed on the same course as he had begun. There is no indication that Gov. Barrows knew of this affair until it was later reported to him by Commissioner Blaisdell. Gov. Barrows and Mr. Blaisdell both state that Mr. Blaisdell's action in backing up Lieut. Watts was subsequently approved by Gov. Barrows. The question arises as to whether or not for a State Police officer assigned to one department to attempt to interfere with another State Police officer assigned to a different department, when the latter officer is proceeding in the line of his duty, is conduct becoming a police officer. This was not the only instance brought to the attention of the Committee where Mr. Fowler apparently attempted to intercede with police officers in behalf of trucking concerns.

During the course of the investigation of the Auburn branch registration office robbery, at the time when the Robert Burns agency was finally leaving the case, Mr. Burns presented Mr. Fowler with \$50 in cash. The Committee has not ascertained to its own satisfaction what the reason for this gift was, but has only the statement of Mr. Fowler that it was given to him as a present for the fine work he had done while associated with Mr.



Burns on the Auburn case. Mr. Fowler states that he attempted several times to give the money back to Mr. Burns, but that the transaction took place in the public dining room at the DeWitt Hotel, and that it was embarrassing for him (Fowler) because Mr. Burns refused repeatedly to take the money back; that as a result Mr. Fowler kept the money and brought it to Augusta; that he could not thereafter return the money to Mr. Burns because Mr. Burns had returned to Boston. For some reason, the exact nature of which the Committee has been unable to ascertain, Mr. Fowler took this \$50 to Chief Healy and asked him to keep it for him. Chief Healy states that although he did not wish to take the money for safekeeping and advised Mr. Fowler that the money was "too hot" to keep and that he should immediately return it, he did finally take it. Mr. Fowler denies that Chief Healy advised him to return it. Chief Healy further states that after a few weeks Mr. Fowler returned and wanted the money back, and that he (Chief Healy) again advised him to return the money to Mr. Burns, but that Mr. Fowler replied that he guessed he would put it into the campaign fund. Mr. Fowler denies part of this, and states that shortly after he left the money with Chief Healy, that Chief Healy met him or sent for him and asked him to come to his office and get the money because he (Chief Healy) had decided that it was all right for him to keep it. He denies that Chief Healy again told him to send the money back to Mr. Burns, but he does admit that he may have said something about putting it in the campaign fund. He states, however, that he did not put in the campaign fund even though a campaign has taken place since that time, but he states that the money is still in his (Fowler's) safe. The two contrasting stories are absolutely irreconcilable, and if Chief Healy's version is to be accepted as the correct one, the question arises as to whether or not Mr. Fowler's conduct with regard to this \$50 was so irregular and improper as to at least require a further careful investigation by the proper authorities.

In February, 1940, one Roland Maheux of Auburn, Maine, came before the Secretary of State on a question of suspension of his li-

cense. Mr. Maheux was a close friend of Mr. Fowler. The officer whose duty it was to recommend disposition of the case to the Secretary of State, recommended suspension of license from 60 to 90 days, on the grounds that Mr. Maheux had a prior record. Before the hearing Mr. Maheux contacted Mr. Fowler for help in his case. Mr. Fowler interceded for Mr. Maheux. Mr. Maheux's license was suspended for seven days. Thereafter Mr. Maheux mailed ten dollars in cash to Mr. Fowler, the letter being sent to Mr. Fowler's home. Mr. Fowler displayed the money to employees in the State House and stated to these employees that he intended to return the money. Mr. Fowler states that he did return the money to Mr. Maheux. Mr. Maheux, on being interviewed by Police Officers investigating for this Committee, first denied he had ever sent any money to Mr. Fowler, but upon being pressed, admitted that he had sent him \$10. He had no knowledge that the money had ever been returned. Later, at the request of Mr. Fowler, Miss Beatrice Jackson, secretary to Mr. Maheux, testified before the Committee and stated that the money was returned by Mr. Fowler; that Mr. Maheux was away at the time; and that after a day or two she deposited the money in the bank, including it in a deposit of corporation funds not the personal property of Mr. Maheux. She stated that she did not tell Mr. Maheux the money had been returned until after he had been interviewed by the Police officers. She produced her ledger and pass book at the bank, but was unable to show any ledger account or notation covering the \$10.

Mr. Fowler testified that although the envelope was postmarked the 22nd of February, 1940, and addressed to his home, it was received by him at his office at the State House. He stated that he opened the envelope on February 26, 1940, in the presence of witnesses. He testified that he mailed it back ten days later.

Miss Jackson testified that she received it back in the mail, kept it in the desk for about two days and included it in her bank deposit of February 26, 1940. These two statements are obviously irreconcilable.

The entire transaction appears to be unusual and Miss Jackson was not a convincing witness. However,

it must be stated in all fairness that if Miss Jackson and Mr. Fowler told the truth, Mr. Fowler returned the money and his conduct under the circumstances was proper.

Investigation shows clearly that the varied activities of Mr. Fowler and the special position which he has apparently occupied have not been conducive to the best of morale in the State Police Department and in the Department of State.

**Recommendations:** That the testimony and evidence taken by the Committee concerning the activities of Chief Inspector Fowler be referred to the Secretary of State and the Chief of the State Police for such action as they may deem necessary.

#### STATE PRINTING DEPARTMENT

This department orders all printing which includes the paper. The State Printing Department does very little printing itself. A great deal of the printing, particularly that which must be put through immediately, is done by the "Kennebec Journal" on the basis that they are the only ones equipped to handle it. Some purchases are put through the State Purchasing Department, but apparently a great deal is left to the judgment of the State Printer.

According to figures submitted by this department, Legislative Printing and other printing and binding amounted to \$250,000 a year. Newspaper advertising runs about \$11,000 a year.

There is no apparent indication of a lack of activity in the operation of this department.

#### MISCELLANEOUS

It appears that the Attorney General last year attended a convention of Attorney Generals on the Pacific Coast and very naturally and properly took his wife with him. The expenses incurred for Mrs. Burkett were included in Mr. Burkett's expense account and payment was approved by the Governor and Council although the item was questioned by the then State Auditor, Mr. Hayford. The practice of paying such expenses of persons other than State officials and employees should not be permitted. The Committee believes that this was an illegal expenditure of public funds and should be returned to the State.

It has been noted during this investigation that throughout many

administrations it has been the practice of the Governor and Council, possibly through a lack of clear understanding of the line of demarcation between legislative and administrative functions, to legislate by Council order. A recent example is furnished in the establishment of the Safety Coordinating Committee by Council order. A bill for the establishment of this department was defeated in the Legislature shortly before the Council order was passed.

This Committee employs an executive secretary at a salary of \$64 per week plus expenses. This is not a case of the Governor and Council spending the contingent fund for purely administrative purposes because the expenses of this department are paid out of Highway funds through the Secretary of State's Department. The Committee is not satisfied that the possible results to be gained from this department justify its creation, and believes that in any event this was a matter entirely for the Legislature. The question further arises as to whether the Controller does not approve at his peril payments made under a council order which is in excess of the powers of the Governor and Council.

Another example of the same thing was the payment of Old Age Assistance without Legislative action under a previous administration.

Still another example is an order passed by the Governor and Council in 1933 which permitted the issue of "no fee" registration plates to counties. The statute permitting issuance of "no fee" plates limited the issuance to municipalities only. In at least one county these "no fee" plates were in the past used by the Sheriff of the county on privately owned cars for election day campaigning.

Still another example was the building of the State Highway Garage building in 1920 without Legislative appropriation but by council order.

**Recommendations:** It is recommended that the Governor and Council in this and succeeding administrations carefully scrutinize each proposed order to ascertain whether the proposed order is in fact an encroachment upon Legislative functions.

It is further recommended that the Legislature should by appropriate action provide that no order of

the Governor and Council continue in effect after the expiration of the term of office of the Council passing the order.

Although no thorough investigation was made of the State Police department, the Committee did learn that no adequate records of supplies furnished this department are kept by the supply officer from which he can tell at all times where and to whom supplies have been issued. A certain laxity was also noted in the calling in and reissuing of weighing scales used by this department.

It is recommended that these records and the system employed by the supply officer can and should be greatly improved.

During the last eight or ten years the public demands on the time of the Governor has increased many fold. The practice of appearing at meetings upon invitation all over the state has grown to a point where the Governor's time is not his own and the effort necessary to satisfy these demands and at the same time devote the necessary time and energy to the duties of his office, has become almost beyond physical endurance.

It is recommended that the public be made aware of the impossibility of his appearing constantly in various parts of the State, and that the Chief Executive curtail these activities to a minimum.

Governor Barrows testified that at the suggestion of Lieut. Burtis Fowler, he permitted Mr. Fowler to approach a Massachusetts trucking concern in an effort to secure a campaign contribution.

The Committee feels that the using of a State Police officer or State official as an intermediary for the solicitation or collection of campaign funds is improper and inevitably gives rise to inferences which are not in keeping with the dignity and proprieties of public office.

#### Conclusion:

This Committee has proceeded with the task assigned to it without fear or favor, disregarding every partisan or political consideration. It has found no evidence of misappropriation of public funds other than those noted but has found numerous evidences of either inefficiency or inactivity. It has sensed among many State officials and employees a certain absence of that deep

sense of responsibility which is to be expected and desired by any employer from his employees. It seems fair to say that if this investigation has served no other useful purpose, it has been justified by its stimulation among all officials and employees of the State to an awakening interest in the duties imposed upon them by law and a lively effort to improve conditions within the various departments.

This Committee believes that a bi-partisan permanent investigating committee of not exceeding seven members should be established to meet at least once a month to not only continue and complete this investigation but to make such other inquiry from time to time as may seem to it necessary and desirable. This Committee should have the same powers as were given to this joint and special investigating committee, and arrangements should be made to adequately compensate the members of this proposed Committee for the time spent in performance of its duties.

We herewith submit the supporting testimony and exhibits with this report.

NATHANIEL TOMPKINS,  
Chairman

GAIL LAUGHLIN,  
FRANK A. THATCHER,  
JEAN CHARLES BOUCHER,

On the part of the Senate  
GEORGE D. VARNEY,  
M. P. NOYES,  
ROBERT B. DOW,  
ROBERT C. McNAMARA,  
F. ARDINE RICHARDSON,  
WILLIAM P. DONAHUE,  
ALEXANDER A. MacNICHOL,  
On the part of the House.

The SPEAKER: The Chair feels that this Report that has just been read to the House evidences the enormous amount of care and thought that has been put into it by the members of the Committee without any pay on their part, and that some acknowledgment on the part of the House might be in order.

Mr. HINMAN of Skowhegan: Mr. Speaker, I do not think that ever in my life have I felt that I was any poorer citizen than I have been in allowing this Committee to work for me as a citizen, giving at least two-thirds of their time in the time in which they have had to consider it. I am not at all satisfied with allowing that Committee to give their time. I feel that we should perhaps

look upon their work as being legislative days.

Be that as it may, I think they have worked hard and arduously and they have given to us as much time as their work would allow them to give, regardless of the fact that their time was needed very much in their own activities.

I also feel that we of the Legislature must be very careful in our weighing of this evidence in differentiating between habit of those who serve us and the fact that their inefficiency is due to we as voters. Sooner or later we must come to realize that public officials should not be chosen because they choose to offer themselves for office, and we should come to realize that it takes a man of leadership and ability to direct, and until that time does come we are bound to have more or less or some, at least, of the subject matter of this Report. We cannot have the work which has been covered in this Report performed without having it serve many useful activities of State, and I believe that we will all benefit as citizens, not as members of the Legislature especially, but as citizens; I think we will benefit by much of their work. I hope that in the weighing of the information that they have brought to us we will take unto ourselves our proportionate part of the responsibility for the condition.

I presume many of you have had the same experience as I in the last four years in having many and various officials of this State House tell me that you cannot conduct State affairs on a business basis. I have always said and I still say, that until we get to that point where it becomes necessary to choose between service and expense, it should be conducted on a business basis, but it can never be conducted on a business basis so long as we attempt to place a man at the head of a thirty million dollar business for less than six or seven thousand dol-

lars a year. There may be many of us that are glad to have the job for three or four thousand dollars but I submit to you that while that type of men fill these offices, we must always put up with a certain amount of inefficiency.

I do not know whether this Legislature will consider it or not, but I myself would like very much to see an Order presented giving to these gentlemen that amount which they would have received had they been in regular attendance at the Legislature for the days that they have worked on this Committee. And, finally, I move that we accept the Report and that we offer to this Committee by a rising vote our united and whole-hearted appreciation of the service they have rendered to us, and, if it can be done, I would like, before we go home, to see such an Order presented.

The SPEAKER: The Chair would suggest that a rising vote of gratitude be shown at this moment without taking formal action on the motion.

Thereupon, amid the applause of the House, the Committee was given a rising vote of thanks.

Mr. VARNEY: Mr. Speaker, I now move that the Report, together with the accompanying evidence and exhibits, lie on the table and that one thousand copies of the Report be printed in pamphlet form.

Thereupon, the motion prevailed, and the Report and the accompanying evidence and exhibits were tabled pending the motion of the gentleman from Skowhegan, Mr. Hinman, that the Report be accepted.

(1,000 copies ordered printed in pamphlet form).

On motion by Mr. Varney of Berwick,

Adjourned until tomorrow morning at nine o'clock E. S. T.