

MAINE STATE LEGISLATURE

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*House of Representatives
Office of the Secretary
Received September 7 1937
Harry R. Bone
Clerk*

THIRD PARTIAL REPORT OF THE JOINT LEGISLATIVE COMMITTEE CREATED BY
THE JOINT LEGISLATIVE ORDER PASSED IN THE SENATE AND HOUSE
OF REPRESENTATIVES OF THE EIGHTY-EIGHTH LEGISLATURE ON
OCTOBER 28, 1937

To the Honorable Senate and House of Representatives of The Eighty-eighth Legislature of Maine:

Your Committee was charged with the duty of investigating into the use and usefulness of loans and grants made by the Federal Government, or any agency thereof.

Your Committee finds that Louis J. Brann deposited \$206,428 in a bank in the City of Augusta without the knowledge of the State Treasurer or State Controller, and in such a manner that the State Controller and State Treasurer had no control thereof. These funds were received by Louis J. Brann, as Governor, from the Reconstruction Finance Corporation. Louis J. Brann receipted for these funds as Governor of the State of Maine.

The citizens of Maine are obligated to the Federal Government for this sum notwithstanding newspaper reports to the contrary that have emanated from Washington.

This entire sum of \$206,428 was disbursed by Louis J. Brann signed by him by checks/; and no records, vouchers, cancelled checks, receipts or other documents concerning the disbursement of this vast sum have ever been filed by Louis J. Brann with the office of the State Controller, with the Department of Finance, with the State Treasurer, or with the State Auditor.

This fact is corroborated by the sworn affidavits of William A. Runnels, State Controller; Belmont Smith, Treasurer of State; Lewis H. Winship, Deputy Treasurer of State; and Elbert D. Hayford, State Auditor, which are hereto attached and made a part hereof.

It should also be made clear that the Governor was required by the Federal law to file a complete statement of all disbursements of this fund "with the Auditor of the State or territory (or, if there is no auditor, then with the official exercising comparable authority)".

Your committee finds that Louis J. Brann filed only a very general statement in Washington with reference to the expenditures of this sum,

and that no detailed statement or itemized account of the individual disbursements was ever filed by him in Washington.

Your Committee is of the opinion that a substantial amount of this sum was disbursed for relief through local agencies, but that a large part was handled personally by Louis J. Brann who gave and distributed to persons of his own choosing such sums as he saw fit.

Your Committee has in its possession a list of some of the people of Maine to whom Louis J. Brann gave money from this fund, which list is hereto attached and made a part hereof.

The Committee has been unable to find 153 cancelled checks representing an aggregate sum of approximately \$196,000. Louis J. Brann was summoned before the Committee and asked to produce the checks in question or in their absence any receipts, vouchers or accounts covering the funds so expended. This he was unable to do.

Although former Governor Brann made the proposal that an audit be made your Committee is of the opinion that this was but a political gesture. It is obvious to anyone that an auditor cannot audit records that cannot be found.

Your Committee was greatly shocked to learn that any such practices had been participated in by a Governor of Maine.

Your Committee recommends that legislation be enacted ~~by the~~ ~~Maine Legislature~~ to prevent any Governor of the State of Maine in the future from ever exercising any such unlimited discretion with reference to the expenditure of its citizens' funds.

This is not a final report. Further reports will hereafter be submitted by this Committee.

Augusta, Maine.
September 6, 1938

Joint Legislative Committee

By

Donald W. Philbrick
Secretary



State of Maine
Department of Finance
Bureau of Accounts and Control
Augusta

July 19, 1938.

AFFIDAVIT

I, William A. Runnells, of Hallowell, County of Kennebec, State of Maine, on oath depose and say that I am State Controller for the State of Maine; that I was appointed to that position of State Controller on January 1, 1932 and have continuously since that time served in that capacity.

Concerning the \$252,895 which the Legislative Committee has requested information, I advise as follows: I find that three items as follows,

February 14, 1933	-	\$18,500.00
February 25, 1933	-	18,500.00
March 20, 1933	-	9,467.00

aggregating \$46,467.00 were paid into and through the State Treasurer.

I find that the balance of the fund, \$206,428, was deposited by ex-Governor Brann personally, and never deposited with the State Treasurer but was deposited in a separate account in the Augusta Trust Company of which the State Treasurer and State Controller had no control and without our knowledge.

I find that there is not now and never has been any records, vouchers, cancelled checks, receipts or other documents concerning this disbursement by ex-Governor Brann filed with me or in my office as State Controller.

STATE OF MAINE

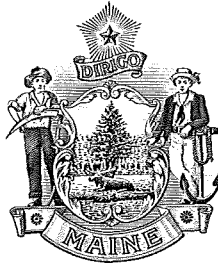
KENNEBEC, ss

July 19, 1938

Subscribed to and sworn to

Before me,

Notary Public



STATE
TREASURY DEPARTMENT

BELMONT SMITH
TREASURER OF STATE
LOUIS H. WINSHIP
DEPUTY TREASURER OF STATE

STATE OF MAINE
AUGUSTA

AFFIDAVIT

I, Louis H. Winship of Augusta in the County of Kennebec, State of Maine, on oath depose and say that I am Deputy Treasurer for the State of Maine; that I was appointed to the position of Deputy Treasurer in 1917 and have continuously, since that time, served in that capacity; that Louis J. Brann, as Governor or otherwise, never filed with or in the office of the Treasurer of State any records, vouchers, reports, cancelled checks, records or documents of any kind or description relating or referring in any way to any money or monies expended by him as Governor of the State of Maine or otherwise.



Deputy Treasurer of State

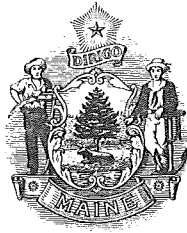
July 18, 1938

STATE OF MAINE

Kennebec, ss.

Subscribed and sworn to, before me, -

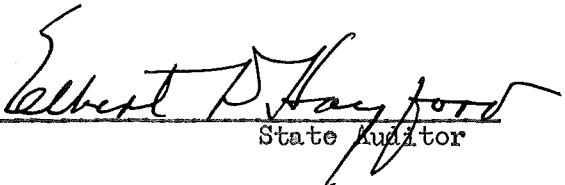

Notary Public



STATE OF MAINE
State Department of Audit
Augusta

AFFIDAVIT

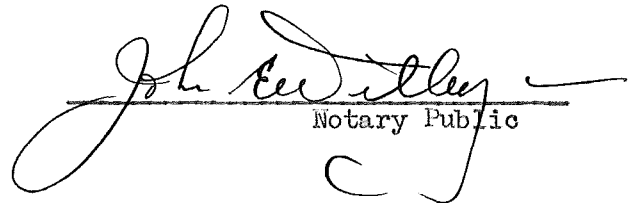
I, Elbert D. Hayford of Farmingdale in the County of Kennebec, State of Maine, on oath depose and say that I am State Auditor for the State of Maine; that I was appointed to the position of State Auditor in 1922 and have continuously, since that time, served in that capacity; that Louis J. Bram, as Governor or otherwise, never filed with or in the office of the State Auditor any records, vouchers, reports, cancelled checks, records or documents of any kind or description relating or referring in any way to any money or monies expended by him as Governor of the State of Maine or otherwise.

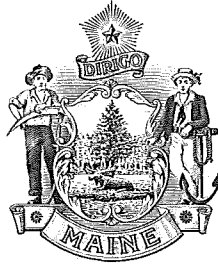

State Auditor

July 18, 1938
Kennebec, ss.

STATE OF MAINE

Subscribed and sworn to, before me, _


Notary Public



STATE
TREASURY DEPARTMENT

BELMONT SMITH
TREASURER OF STATE
LOUIS H. WINSHIP
DEPUTY TREASURER OF STATE

STATE OF MAINE
AUGUSTA

July 18th. 1938.

Affidavit:

That I, Belmont Smith of Bangor, County of Penobscot, State of Maine, on oath depose and say that I am State Treasurer for the State of Maine. That I was elected to that office in January 1937 by the Maine Legislature. That as State Treasurer I am familiar with all records and documents on file in the office of State Treasurer. That there is no record on file in the office of State Treasurer of any monies expended by Louis J. Brann as Governor of Maine, neither is there on file any record or report of any money expended by Louis J. Brann in any capacity whatsoever.

That I have examined the records, and caused my assistant's to examine the records and we find no report of the expenditures of money by Louis J. Brann as Governor or otherwise, was ever filed with this department.

July 18th. 1938

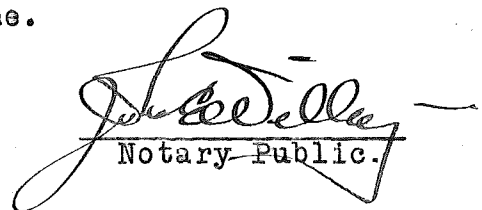

TREASURER OF STATE

STATE OF MAINE

Kennebec ss.

July 18th. 1938.

Subscribed and sworn to before me.


Notary Public.

PARTIAL LIST OF PERSONS RECEIVING MONEY

FROM R. F. C. FUND

Elmer M. Abbott
Frank Anderson

Barnes' Market
Ella S. Batchelder
Perley C. Benson
Mrs. E. J. Bither
Elizabeth Brown
Georgia H. Burns

A. M. Clark
William Clark
B. W. Cole
William Condon
Elmer H. Cook
Lizzie E. Cookson
Mrs. C. C. Cunningham

Emile Daniels
Louis Deblois
Lillian Denis
Mrs. Vira P. Downs
Mary Dube
Everett Dudley
Bernard Dumond

Mrs. Edward H. Ellis

Mrs. Paul Fortin (Stearns)

Susie E. Galusha
George B. Gillespie
Maxim Girouard
Edward T. Goff
Arthur F. Grindle
Louis Gurney

Harry Harvey
Elmer H. Heald
James J. Henchey
R. B. Herrick
Joseph B. Holmes
James Holt
Charles A. Huff
Mrs. John Hughes

J. E. Jenness
Brian M. Jewett
Charles F. Johnson
Hattie B. Johnson

James Kavanagh
Mr. & Mrs. I. M. Kenerson
Lydia A. Keyes

John P. Larkin
Timothy Larrabee
William Leonard
William Libby
Mary Lightbody
Mary A. Lynch

Estelle Marks
Morris L. McCormick
John McDonald
William McDonald
Joseph McGowan
Joseph McKown
Mrs. Estella H. McLeod
Albert H. Merchant
The Mohican Company
E. Leslie Mooers
Roy F. Moore
Marion Morin
James G. Murphy

Mrs. Charles Z. Noble
Mrs. Ambrose C. Partridge
William Patten
Napoleon Pelletier
Charles M. Perry
William S. Pottle
Wilmore S. Pottle
Charles T. Powers
Morris Prentiss

Alden B. Reed
Levi Richard
Irwin Rowe

Homer St. Pierre
Seth Scott
Albert Shapley
Ernest Raymond Shaw
Harriet E. Skillings
Asa Smith
Harry Soucy
J. A. Stacy
A. H. Sweetsir
Laura Swett
Agnes M. Taylor

Ligie Thompson
Jerry Trepanier
Leon C. Trefethen

Mrs. Esther Villacci
Mary Whitley
Eva M. Williams
Leander Wardwell
Prescott Wight
George T. Wilson