

COMMONWEALTH OF  
PENNSYLVANIA  
COUNTY OF: MONTGOMERY

Magisterial District Number: 38-1-16  
MDJ: Hon. MARGARET HUNSICKER  
Address: 754 EAST JOHNSON HIGHWAY,  
NORRISTOWN, PA 19401  
Telephone: (610)279-6226



POLICE CRIMINAL COMPLAINT  
COMMONWEALTH OF PENNSYLVANIA  
VS.

DEFENDANT: (NAME and ADDRESS):

JAMES ROBERT MATTHEWS  
First Name Middle Name Last Name Gen.  
674 GREYCLIFFE LANE, LOWER GWYNEDD, PA 19002

NCIC Extradition Code Type

- ☐ 1-Felony Full ☐ 4-Felony No Ext. ☐ B-Misdemeanor Limited ☐ E-Misdemeanor Pending  
☐ 2-Felony Ltd. ☐ 5-Felony Pend. ☐ C-Misdemeanor Surrounding States ☐ Distance: \_\_\_\_\_  
☐ 3-Felony Surrounding States ☐ A-Misdemeanor Full ☐ D-Misdemeanor No Extradition

DEFENDANT IDENTIFICATION INFORMATION

Docket Number Date Filed OTN/LiveScan Number Complaint/Incident Number SID Request Lab Services?  
12/05/2011 ☐ YES ☐ NO

GENDER DOB 02/06/1949 POB PENNSYLVANIA Add'l DOB / / Co-Defendant(s) ☐  
☒ Male First Name Middle Name Last Name Gen.  
☐ Female

AKA

RACE ☒ White ☐ Asian ☐ Black ☐ Native American ☐ Unknown

ETHNICITY ☐ Hispanic ☒ Non-Hispanic ☐ Unknown

HAIR COLOR ☒ GRY (Gray) ☐ RED (Red/Auburn) ☐ SPY (Sandy) ☐ BLU (Blue) ☐ PUR (Purple) ☐ BRO (Brown)  
☐ BLK (Black) ☐ ORG (Orange) ☐ WHI (White) ☐ XXX (Unk/Bald) ☐ GRN (Green) ☐ PNK (Pink)  
☐ BLN (Blonde/Strawberry)

EYE COLOR ☐ BLK (Black) ☐ BLU (Blue) ☒ BRO (Brown) ☐ GRN (Green) ☐ GRY (Gray)  
☐ HAZ (Hazel) ☐ MAR (Maroon) ☐ PNK (Pink) ☐ MUL (Multicolored) ☐ XXX (Unknown)

Driver License State PA License Number 13668813 Expires: 02/07/2015 WEIGHT (lbs.)

DNA ☐ YES ☐ NO DNA Location

FBI Number MNU Number HEIGHT (in)

Defendant Fingerprinted ☐ YES ☐ NO

Fingerprint Classification

DEFENDANT VEHICLE INFORMATION

Plate # State Hazmat ☐ Registration Sticker (MM/YY) / Comm'l Veh. Ind. ☐ School Veh. ☐ Oth. NCIC Veh. Code Reg. same as Def. ☐

VIN Year Make Model Style Color

Office of the attorney for the Commonwealth ☒ Approved ☐ Disapproved because:

(The attorney for the Commonwealth may require that the complaint, arrest warrant affidavit, or both be approved by the attorney for the Commonwealth prior to filing. See Pa.R.Crim.P. 507).

RISA VETRI FERMAN/DA  
(Name of the attorney for the Commonwealth)

(Signature of the attorney for the Commonwealth)

12/05/2011  
(Date)

I, LT. BERNSTIEL/DET. ANDERS/DET. BRADBURY  
(Name of the Affiant)

BADGE # 7718, #49  
(PSP/MPOETC -Assigned Affiant ID Number & Badge #)

of MONTGOMERY COUNTY DETECTIVE BUREAU  
(Identify Department or Agency Represented and Political Subdivision)  
do hereby state: (check appropriate box)

PA0465202  
(Police Agency ORI Number)

1. ☒ I accuse the above named defendant who lives at the address set forth above  
☐ I accuse the defendant whose name is unknown to me but who is described as \_\_\_\_\_

☐ I accuse the defendant whose name and popular designation or nickname are unknown to me and whom I have  
therefore designated as John Doe or Jane Doe

with violating the penal laws of the Commonwealth of Pennsylvania at [ ] ONE MONTGOMERY PLAZA,  
Norristown, PA (Subdivision Code) (Place-Political Subdivision)

in MONTGOMERY [46] on or about WEDNESDAY OCTOBER 5, 2011  
County (County Code)



# POLICE CRIMINAL COMPLAINT

Docket Number:	Date Filed: 12/05/2011	OTN/LiveScan Number	Complaint/Incident Number
Defendant Name	First: JAMES	Middle: R.	Last: MATTHEWS

The acts committed by the accused are described below with each Act of Assembly or statute allegedly violated, if appropriate. When there is more than one offense, each offense should be numbered chronologically.

Inchoate Offense	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903
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<input checked="" type="checkbox"/>	4902	A		of the	PA C.S.A.	1	F-3		
Lead?	Offense#	Section	Subsection		PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code

PennDOT Data (if applicable)	Accident Number		<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone
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Statute Description (include the name of statute or ordinance): PERJURY: On or about October 5, 2011, James Robert Matthews did provide a materially false statement while testifying under oath before the Montgomery County Grand Jury while believing the statement to not be true.

Inchoate Offense	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903
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<input type="checkbox"/>	4903	A	1	of the	PA C.S.A.	1	M-2		
Lead?	Offense#	Section	Subsection		PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code

PennDOT Data (if applicable)	Accident Number		<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone
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Statute Description (include the name of statute or ordinance): FALSE SWEARING: On or about October 5, 2011, James Robert Matthews did provide a false statement while testifying under oath before the Montgomery County Grand Jury while believing the statement to not be true.

Inchoate Offense	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903
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<input type="checkbox"/>				of the					
Lead?	Offense#	Section	Subsection		PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code

PennDOT Data (if applicable)	Accident Number		<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone
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Statute Description (include the name of statute or ordinance):

Set forth a brief summary of the facts sufficient to advise the defendant of the nature of the offense(s) charged. A citation to the statute(s) allegedly violated, without more, is not sufficient. In a summary case, you must cite the specific section(s) and subsection(s) of the statute(s) or ordinance(s) allegedly violated. The age of the victim at the time of the offense may be included if known. In addition, social security numbers and financial information (e.g. PINs) should not be listed. If the identity of an account must be established, list only the last four digits. 204 PA.Code §§ 213.1 – 213.7.

Acts of the accused:



# POLICE CRIMINAL COMPLAINT

Docket Number:	Date Filed: 12/05/2011	OTN/LiveScan Number	Complaint/Incident Number
Defendant Name	First: JAMES	Middle: R.	Last: MATTHEWS

2. I ask that a warrant of arrest or a summons be issued and that the defendant be required to answer the charges I have made.
3. I verify that the facts set forth in this complaint are true and correct to the best of my knowledge or information and belief.  
This verification is made subject to the penalties of Section 4904 of the Crimes Code (18 Pa.C.S. § 4904) relating to unsworn falsification to authorities.
4. This complaint consists of the preceding page(s) numbered \_\_\_ through \_\_\_.

The acts committed by the accused, as listed and hereafter, were against the peace and dignity of the Commonwealth of Pennsylvania and were contrary to the Act(s) of the Assembly, or in violation of the statutes cited.

(Before a warrant of arrest can be issued, an affidavit of probable cause must be completed, sworn to before the issuing authority, and attached.)

LT. BERNSTIEL/DET. ANDERS/DET. BRADBURY 12/05/2011

(Date)

*Det. Paul Brady*  
*Det. Paul Brady*  
*Det. Paul Brady*  
(Signature of Affiant)

AND NOW, on this date 5TH DAY OF DECEMBER, I certify that the complaint has been properly completed and verified.  
2011

An affidavit of probable cause must be completed before a warrant can be issued.

*William J. F...*  
(Magisterial District Court Number)  
*Court of Common Pleas*  
*38<sup>th</sup> Judicial District*

*William J. F...*  
(Issuing Authority)



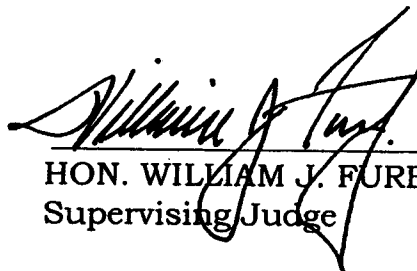
**IN THE COURT OF COMMON PLEAS OF MONTGOMERY COUNTY  
PENNSYLVANIA - CRIMINAL DIVISION**

**IN RE: COUNTY INVESTIGATING : MD 183-2010  
GRAND JURY :  
: INVESTIGATION # 1**

**FINDINGS AND ORDER**

AND NOW, this 2<sup>nd</sup> day of December, 2011 after having examined the Presentment of the Montgomery County Investigating Grand Jury of MD 183-2010, Investigation Number 1, which recommends the arrest of James Matthews, this Court finds that the said Presentment is within the authority of the Investigating Grand Jury and is otherwise in accordance with the provisions of Act 42 Pa. C.S. § 4541 et. seq. In view of these findings, the Court hereby accepts the Presentment and refers this matter to the Attorney for the Commonwealth for further action.

BY THE COURT

  
HON. WILLIAM J. FURBER JR.,  
Supervising Judge

**IN THE COURT OF COMMON PLEAS, MONTGOMERY COUNTY,  
PENNSYLVANIA - CRIMINAL DIVISION**

**IN RE: INVESTIGATING GRAND : MD 183-2010**

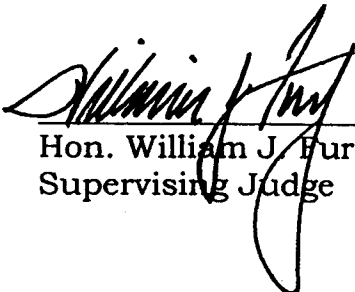
**JURY OF MONTGOMERY COUNTY : INVESTIGATION NO. 1  
PENNSYLVANIA :**

**ORDER**

AND NOW, this 2<sup>nd</sup> day of December, 2011, it is **HEREBY**  
**ORDERED AND DECREED** that the Commonwealth disclose information  
obtained from Investigation # 1 for use in support of criminal prosecution  
as recommended in the Presentment.

This Court retains exclusive jurisdiction over all matters of  
discovery concerning the Montgomery County Investigating Grand Jury.

BY THE COURT,

  
\_\_\_\_\_  
Hon. William J. Furber, Jr.,  
Supervising Judge

**IN THE COURT OF COMMON PLEASE OF MONTGOMERY  
COUNTY PENNSYLVANIA – CRIMINAL DIVISION**

**IN RE:**

**COUNTY INVESTIGATING  
GRAND JURY**


:  
:  
:  
:  
:

**MD 183-2010  
Investigation No. 1**

**TO THE HONORABLE WILLIAM J. FURBER, SUPERVISING JUDGE:**

**PRESENTMENT**

We, the Montgomery County Investigating Grand Jury, MD-183 of 2010, having been duly charged by this Honorable Court to investigate allegations of Theft, Tampering With Records or Identification, Bribery and Corrupt Influence, Aiding Consummation of Crime, Conspiracy, violation of Pennsylvania Election Code and all related and cognate offenses and finding probable cause to believe that the crimes of Perjury and False Swearing were committed, and having obtained knowledge of such matters from witnesses sworn by the Court and testifying before us, and finding thereon reasonable grounds to believe, and so believing, that these violations of the criminal law have occurred, upon our respective oaths not fewer than 12 concurring, do hereby make this presentment to the Court.

  
Foreperson, Montgomery County  
Investigating Grand Jury

Date:

11/16/2011

16 jurors voted for presentment

2 jurors voted against presentment

## **I. INTRODUCTION**

We, the Montgomery County Investigating Grand Jury for 2010-2011, were summoned pursuant to Act 42 Pa. C.S. § 4541, et seq. of December, 1980. We were duly charged by the Court to investigate allegations of crimes occurring within Montgomery County, Pennsylvania. We, the Investigating Grand Jury, received evidence pertaining to matters of Montgomery County, Pennsylvania, pursuant to a Notice of Submission dated March 10, 2010.

On that date, the investigation was submitted to this Investigating Grand Jury and was approved by the Honorable Paul Tressler. Currently, as of January 1, 2011, the Grand Jury Supervising Judge is the Honorable William J. Furber.<sup>1</sup> The submission concerned campaign contributions and expenditures by Montgomery County Commissioners, the awarding of county contracts, other county expenditures and whether there have been any violations of law, including but not limited to the crimes of Theft, Tampering With Records or Identification, Bribery and Corrupt Influence, Aiding Consummation of Crime, Conspiracy, violation of Pennsylvania Election Code and all related and cognate offenses.

From March 2010 until November 2011, we, the Montgomery County Investigating Grand Jury, reviewed extensive evidence including testimony from numerous witnesses who provided unique and specified knowledge

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<sup>1</sup> The Honorable Judge Tressler retired and the Honorable Judge Furber took over the role of supervising Judge as of January 1, 2011.

into the subject matter at hand and the above mentioned allegations. We heard testimony regarding non-public meetings held between two of the County Commissioners where County business was discussed, potentially improper use of campaign funds by Commissioners, lapse in County procedures regarding contract bidding and the Open Space Program, and a potential Conflict of Interest violation by one Commissioner. After hearing all the evidence and examining the testimony in this investigation, we presented our factual findings and recommendations in a separate report.

During our investigation into these incidents we found probable cause to believe that one witness, Commissioner James Matthews committed the crimes of Perjury and False Swearing before the Montgomery County Investigating Grand Jury when Matthews made material misrepresentations to this Grand Jury. We strongly urge the District Attorney charge Mr. Matthews with those crimes.



## **II. FINDINGS OF FACT**

### **A. Background**

In accordance with Pennsylvania law, the Montgomery County Board of Commissioners consists of three members referred to as Commissioners. Two of the Commissioners are members of the majority political party and one from the minority political party. The most recent administration began its term in January of 2008 when Joseph Hoeffel and Bruce Castor joined the incumbent James Matthews, who had been on the Board of Commissioners since 1999. Matthews was elected the Chairman when the current Commissioners took office. Matthews then selected Hoeffel as his co-chairman.

The Grand Jurors first heard allegations that two of the Montgomery County Commissioners were violating the Sunshine Act by meeting regularly outside the presence of the third Commissioner and discussing County business. In addition to these allegations, we also learned investigators were gathering evidence of other potential violations of the law, such as awarding of County contracts or other expenditures and improper business relationships. One aspect of the investigation that we focused on was Matthews' relationship with a company called Certified Abstract Co. In November of 2010, Certified, who had done business with the County for a number of years, was awarded the contract with the County for title insurance service.

As a result of our inquiries in this investigation, all three

Commissioners, along with other County employees, were subpoenaed to appear before this Grand Jury. All who were subpoenaed were sworn in before the Supervising Judge of the Grand Jury. Prior to being sworn, James Matthews was alerted of the full content of a Gag Order in this investigation. Matthews appeared before the Honorable Senior Judge William T. Nicholas on January 27, 2011 and was informed of his rights and obligations as a witness before this Grand Jury. Matthews was ordered at that time that he was "to give complete, truthful and honest answers to all questions..." Also, he was directed "to observe and obey this duty." The Judge further informed Matthews that any untruthful answer is subject to prosecution for Perjury. Furthermore, the Judge instructed Matthews that he was to obey the Gag Order.<sup>2</sup>

B. The Investigation into Matthews' Relationship

With Certified Abstract Co.

One aspect of the investigation before this Grand Jury was a business relationship that Matthews had with a company called Certified Abstract. Matthews is the current president of a company called Keegan Mortgage, a family-owned mortgage company.

Certified is a firm which provides title insurance services. We heard testimony that the County has done business with Certified since at least 1999. Further, in 2004, at the direction of the Solicitor's Office (who reports directly to the Commissioners), County employees were instructed to use Certified exclusively for Farmland Preservation sales. From 2004

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<sup>2</sup> The Gag Order that was issued in the instant matter is attached hereto as Attachment A.

until 2010 Certified represented the County at all closings for these properties.

Furthermore, in 2010, Certified was awarded the contract for title insurance services after responding to a Request for Proposal (RFP) issued by the County. At the November 10, 2010 Commissioners meeting, a meeting open to the public, questions were raised by members of the press as to whether Matthews had a business relationship with Certified. Matthews was asked "[H]ave you had or do you have any business relationship with the folks at Certified Abstract?" Matthews responded "I have none." He goes on to explain that he knew the former owner, Wendell Ehinger very well. He stated "I have never had any financial relationship whatsoever with Certified Abstract." Matthews further stated that the only work his mortgage company had done for Certified was Wendell Ehinger's and Wendell's son's personal mortgages.

Matthews appeared before this Grand Jury on October 5, 2011 to give testimony. Inquiries were made into Matthews' relationship with Certified Abstract. Matthews repeatedly denied any relationship with Certified Abstract. He further stated before this Grand Jury that his company had stopped doing business with Certified "altogether" in 1995. We find these statements are false statements.

We heard evidence in the form of testimony from Matthews and others, as well as documentation provided by Matthews himself that his mortgage company, Keegan Mortgage has in fact done business with Certified. In fact, we learned that Keegan Mortgage had several accounts

with Certified over a period of over ten years. Further, since early 2010, Keegan has done business exclusively with Certified. When confronted with these facts before this Grand Jury, even Matthews was forced to admit that his prior denial of any business relationship was "not accurate."

When Matthews appeared before us, Matthews initially denied knowing that Certified was the only company who did business with the County. He also denied having any business or financial relationship with Certified's current owners. At first, Matthews even minimized his knowledge of who the current owners were stating that his friend Wendell Ehinger "sold it to his kids, I think, about five years ago." His answers were vague and evasive in order to give the appearance he had no relationship with Wendell Ehinger's "kids." We find that Matthews' was untruthful regarding this relationship because he was attempting to deceive us into believing he had no relationship with Certified whatsoever.

In fact, we learned that the current owner of Certified Abstract is Jennifer McGuire, Wendell Ehinger's daughter. Ms. McGuire became the owner of Certified Abstract in 2004. However, we find that Matthews knew that Ms. McGuire was Certified's owner. We find that Matthews knew Ms. McGuire was Certified's owner because he had a friendly relationship with her. In fact, in addition to doing business with her company, Certified for several years, Matthews had another very important connection to Ms. McGuire.

As of 2004, Ms. McGuire owned approximately fifteen title insurance companies. One of these companies was a company she founded with

numerous other shareholders. One of these shareholders was James Matthews. In fact, Matthews himself provided documentation which proved that he had a financial interest in Ms. McGuire's company Charter Abstract. Furthermore, included in these documents was a contract indicating that the owners of Certified Abstract would be majority owners of Charter Abstract. At one point in his testimony, Matthews even slipped and referred to Ms. McGuire as a "good kid," proving that he did have a relationship with her. Thus, we find Matthews' evasiveness regarding any relationship with Ms. McGuire to be an intentional attempt to mislead this Grand Jury into believing he had no business or financial relationship with Certified Abstract.

Therefore, this Grand Jury finds Matthews' testimony that he had no relationship with Certified Abstract or its owners to be a lie.

#### C. Matthews' Denial of Conversations Regarding the Investigation

During his testimony before this Grand Jury, Matthews indicated that a week prior to his testimony, he was told that two witnesses had been subpoenaed before this Grand Jury. One of those witnesses, he stated, was Jennifer McGuire who is the current owner of Certified Abstract. Matthews stated he was "insane" over learning this news.

At this point, Matthews was asked where he had obtained this information. Matthews initially stated that someone saw these witnesses in the Courthouse and told him, but that he could not recall this person's identity. Later, after stepping out of the Grand Jury chamber with his attorney, Matthews stated that he remembered that it was actually

Ms. McGuire's husband, Joe McGuire, who had called him on the telephone to share this news. Matthews testified that he was in such a fury that he began screaming to "whoever was in the room with me at the time." When asked "[D]id you tell anyone else that you had learned that these two individuals had been supposedly in the Grand Jury?" Matthews responded "[A]nybody within earshot of my office, I don't really recall specifically."

Matthews was later asked whether he understood that he was under Court order to not discuss the Grand Jury investigation with anyone. Matthews acknowledged the existence of the Gag Order, but stated that he made his own determinations as to what it applied to and decided he couldn't discuss the breakfast meetings. We find that this determination is not a logical assumption given the fact that the order itself does not state that the only forbidden topic is what Matthews termed "breakfast-gate". We find that Matthews could not have believed that this investigation was only regarding the breakfast meetings between him and other County Officials. We find this because when he arrived for testimony, Matthews came prepared with documentation regarding his business interest in Charter Abstract, and his relationship with the McGuires. These documents had no relevance to the breakfast meetings, therefore it is clear that Matthews knew the investigation encompassed much more than "breakfast-gate." We even heard evidence that this was clear to Matthews as early as September 27, 2011.

Furthermore, even if we are to believe that Matthews' made this assumption, we find that there is evidence that Matthews did in fact

discuss what he termed "breakfast-gate". Montgomery County Solicitor Barry Miller was also subpoenaed to provide testimony on October 5, 2011. He testified that the night prior to their testimony, he and Matthews were watching a baseball game together and that he informed Matthews of the fact that he had been subpoenaed. Miller explained that during their discussions, the two suspected it was over "breakfast-gate".

In addition, we find Matthews also discussed the "breakfast-gate" investigation with Jennifer and Joe McGuire. When asked directly whether he had called Ms. McGuire after hearing of the news that she had been subpoenaed, Matthews responded "[N]o, I did not." Matthews was further asked, "[W]hat about Ms. McGuire, when was the last time you spoke to her?" Matthews responded "[P]ersonally? I think we had a closing together about a week or two ago." We find this statement is a lie.

This Grand Jury heard evidence and reviewed cellular telephone records obtained from Matthews and both McGuire's that Matthews called Ms. McGuire no less than five times on September 27, 2011 after Matthews was informed that Ms. McGuire had received a subpoena. Several of these calls were even made to Ms. McGuire as she waited to be sworn in as a witness before this Grand Jury. She arrived at the courthouse to be sworn at 8:55 am and received her first call from Matthews at 8:59 am to her cellular phone. He called her cellular phone again at 9:27 am and then again at 9:28 am. Ms. McGuire did not answer any of these calls. One minute later, another call was received at Certified Abstract's office at 9:29 am where Matthews left a message for Ms. McGuire. After not receiving an

answer, Matthews called Ms. McGuire's cellular telephone again at 10:18 am. We learned that Ms. McGuire returned his phone calls at 10:27 am and the two proceeded to have a four minute conversation. They discussed the fact that Ms. McGuire had been subpoenaed. Matthews went on to state that he believed Bruce Castor, a fellow County Commissioner, was the reason for the investigation, but speculated that the investigation had shifted from "breakfast-gate" to Matthews' business relationship with Certified Abstract. This is even more indication that Matthews knew the investigation before this Grand Jury encompassed more than the breakfast meetings between he and Hoeffel, and that he lied when he indicated differently. In addition, we find that the fact that he acknowledged this relationship with Certified Abstract on the phone with Ms. McGuire is even more proof that Matthews' knew his statement to us that he had no business relationship with Certified Abstract was a lie.

Furthermore, we find that Matthews' statement that he had last spoken to Ms. McGuire at a closing was also a lie. We, this Investigating Grand Jury, learned that Matthews and Ms. McGuire did not discuss a closing or any pending business during that phone call. In fact, Ms. McGuire told us she rarely speaks with Matthews regarding closings. Ms. McGuire said that the last time the two had seen each other at a closing was several months prior to the September 27, 2011 telephone call. She also stated that the last time Ms. McGuire had seen Matthews at all was when the two ran into each other approximately one month prior to the telephone call.



We, this Investigating Grand Jury learned that in addition to Miller and Ms. McGuire, Matthews also discussed "breakfast-gate" with Joe McGuire. Based on testimony and an examination of the phone records in evidence, we learned that Joe McGuire and Matthews had at least two phone conversations and one face to face conversation in late September of 2011. In their initial conversation, Joe McGuire had called to find out if Matthews knew why his wife had been subpoenaed. Matthews apologized to Joe McGuire and mentioned the term "breakfast-gate" and said something to the effect of "they are out to get me." Later, at 9:29 am, Matthews left a message for Joe McGuire to call him as well. Joe McGuire received the message about an hour later and he returned Matthews' telephone call at 10:31 am. The two proceeded to have a four minute conversation where Matthews echoed his prior statements regarding "breakfast-gate." Finally, Joe McGuire had a face to face conversation later that week with Matthews at Keegan Mortgage. During this conversation, Matthews was loud and agitated again mentioning "breakfast-gate." He also stated something about "Castor" and "politically motivated."

Thus it is clear that when Matthews testified under oath that he had no conversation with Ms. McGuire or anyone else regarding "breakfast-gate" that he lied.

### III. Conclusions

1. Perjury: An individual is guilty of Perjury as defined by Pennsylvania law when "in any official proceeding he makes a false statement under oath or equivalent affirmation, or swears or affirms the

truth of a statement previously made, when the statement is material and he does not believe it to be true." Further, a statement is considered material within the statute if it "*could have* affected the course or outcome of the proceeding". The false statement does not actually have to influence the finder of fact, but merely have possibly done so.<sup>3</sup>

2. False Swearing: A person who makes a false statement under oath or equivalent affirmation, or swears or affirms the truth of such a statement previously made, when he does not believe the statement to be true commits the crime of False Swearing. This statute does not require materiality for violation.<sup>4</sup>

3. This Grand Jury finds that testimony before this Grand Jury constitutes an official proceeding.

4. We find that prior to testifying before this Grand Jury, Matthews was sworn in before the Honorable Judge William T. Nicholas. When he was before this Grand Jury, he indicated that he recalled the oath that he took before Judge Nicholas. Further, during his testimony before this Grand Jury, Matthews was asked "[A]nd you do understand that if you don't do that and if you don't tell the truth, the whole truth, nothing but the truth, that you can be prosecuted for perjury?" Matthews responded, "I understand." Thus, we find that his testimony before this Grand Jury was under oath.

5. This Grand Jury values the importance of statutes which make it illegal to lie after swearing to not do so. We find that an oath to swear to

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<sup>3</sup> 18 Pa. C.S. §4902.

<sup>4</sup> 18 Pa. C.S. § 4903.

tell the truth taken before a Judge should be honored. Such oaths are at the center of a fair and just judicial system.

6. To allow individuals to take such an oath and then to lie repeatedly under oath would demean the trust that the public has in the judicial system.

7. When the individual who ignores the oath and lies in an official proceeding is an elected official, this violates not only the public's right to a just judicial system but also undermines public trust in those elected to represent them.

8. We find that there is probable cause to believe that in the instant matter Matthews lied repeatedly before this Grand Jury. We find that Matthews lied with such ease and frequency, that he acted as though, as Chairman of the Montgomery County board of Commissioners, he is above the law.

9. We find that Matthews lied when he stated that he had no business or financial relationship with Certified Abstract. We find Matthews lied because he knew that, while, there may not have been a "conflict of interest" within the letter of the law, he should have disclosed his relationship with the Certified to the public prior to the November 10, 2010 vote at the Montgomery County Commissioners meeting. However, we find this lie, unfortunately, does not rise to the level of criminality because it was first made when Matthews was not under oath before the public. When Matthews made the statement again before this Grand Jury,

he was later forced to admit that it was not accurate, therefore, he can not be prosecuted for this lie.

10. We find that there is probable cause to believe that Matthews lied when he minimized his relationship to Jennifer McGuire in order to further cover-up his relationship with Certified Abstract.

11. We find that there is probable cause to believe that Matthews lied when he stated he did not speak with Jennifer McGuire after discovering the news that she had been subpoenaed because he knew that in contacting her he was violating the Gag Order. We find this lie was a false statement that was material to the investigation.

12. We find that there is probable cause to believe that Matthews lied when he stated that he did not discuss what he termed "breakfast-gate" with anyone. We also find that Matthews was deceptive regarding these conversations because he knew that to admit to these conversations would require him to admit to violating the Gag Order. We find this lie was a false statement that was material to the investigation.

13. We find that there is probable cause to believe that Matthews lied when he indicated that he felt the investigation was solely about what he termed "breakfast-gate," and that was the only topic he was prohibited from discussing. We find this false statement was material to the investigation.

14. We find that there is probable cause to believe that Matthews' false statement regarding the fact that he did not speak with Ms. McGuire after learning that she had been subpoenaed to be material in that it

influenced the way we, this Investigating Grand Jury, evaluated testimony from both Matthews and Ms. McGuire.

15. We find that there is probable cause to believe that Matthews' false statement regarding the fact that he did not speak with Ms. McGuire after learning that she had been subpoenaed to be material in that it influenced how we viewed evidence that we had been presented regarding their business relationship, and Matthews' violation of the Court's Gag Order.

16. We find that there is probable cause to believe that Matthews' false statement regarding the fact that he did not speak with Ms. McGuire after learning that she had been subpoenaed to be material because we could not longer credit Matthews' testimony.

17. We find that there is probable cause to believe that Matthews' false statement regarding the fact that he did not speak with Ms. McGuire after learning that she had been subpoenaed to be material in that we find the conversations that Matthews' had with Ms. McGuire's caused a dramatic turn-around in her demeanor. Prior to the conversations, Ms. McGuire had been calm, cooperative and openly willing to assist in the investigation. After the phone conversation, Ms. McGuire was distraught. She became emotional in her interactions with investigators and expressed nervousness to respond to questions and assist in the investigation. While she remained cooperative, Ms. McGuire explained to investigators that, after her conversation with Matthews, she became scared of the effects her cooperation would have on her.

18. We find there is probable cause to believe that Matthews' false statement that he stated that he did not discuss what he termed "breakfast-gate" with anyone to be material in that it influenced how we viewed evidence regarding Matthews' violations of the Gag Order.

19. We find there is probable cause to believe that Matthews' false statement that he stated that he did not discuss what he termed "breakfast-gate" with anyone to be material because we could no longer credit Matthews' testimony.

20. We find there is probable cause to believe that Matthews' false statement that he stated that he did not discuss what he termed "breakfast-gate" with anyone to be material in that it affected the way we examined testimony regarding conversations that Ms. McGuire, Joe McGuire and Miller had with Matthews.

21. We find there is probable cause to believe that Matthews' false statement that he stated that he did not discuss what he termed "breakfast-gate" with anyone to be material in that it affected our investigation into Matthews' violation of the Gag Order.

22. We find there is probable cause to believe that Matthews' false statement when he indicated that he felt the investigation was solely about what he termed "breakfast-gate," and that was the only topic he was prohibited from discussing to be material in that it influenced how we viewed evidence regarding Matthews' violations of the Gag Order.

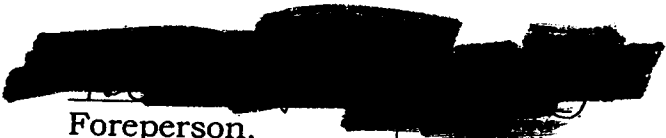
23. We find there is probable cause to believe that Matthews' false statement when he indicated that he felt the investigation was solely about


what he termed "breakfast-gate," and that was the only topic he was prohibited from discussing to be material because we could no longer credit Matthews' testimony.

24. We find there is probable cause to believe that Matthews' false statement when he indicated that he felt the investigation was solely about what he termed "breakfast-gate," and that was the only topic he was prohibited from discussing to be material in that it affected the way we examined testimony regarding conversations that Ms. McGuire, Joe McGuire and Miller had with Matthews.

25. We find probable cause that Commissioner James Matthews repeatedly lied to this Grand Jury despite the fact that he was under oath during his testimony before us on October 5, 2011. Based upon his flagrant dishonesty and violation of the law, we conclude that Commissioner James Matthews acts as though he is above the law. We, as citizens of Montgomery County whom he was elected to represent and serve, believe that no man is above the law. We expect and deserve elected officials who not only do their jobs but also who scrupulously follow the law. Mr. Matthews' persistent dishonesty and deception serve only to undermine the public trust in the integrity of government officials. Mr. Matthews is not above the law. We find this blatant disregard for the judicial process and the sanctity of the oath to be so clearly illegal and disturbing that it can only be properly addressed by the District Attorney filing criminal charges. We hereby recommend that the District Attorney of Montgomery County file

criminal charges against Commissioner James R. Matthews for Perjury and False Swearing.

  
Foreperson,  
Montgomery County  
Investigating Grand Jury

  
Secretary,  
Montgomery County  
Investigating Grand Jury

Date: 11/16/2011