

Bribery Attempt Charged To Bond Firm's Attorney

\$629,000 Listed as Unpaid

By BILL LYNCH
(States-Item Bureau)

BATON ROUGE—The New Orleans district attorney's office has accused the Maryland National Insurance Co., a bail bonding firm, of failing to pay \$629,000 in bond forfeitures due in criminal court cases, the States-Item learned today.

The charge was contained in a letter written to the state insurance commissioner last May by Assistant DA Shirley G. Wimberly Jr.

Maryland National is the former employer of William Hardy Davis, who filed an affidavit with Dist. Atty. Jim Garrison accusing Garrison's former chief assistant district attorney, Charles R. Ward, with accepting bribes.

~~THE MONEY ALLEGEDLY WAS PAID~~ to Ward, who has resigned from his post, to influence him to hold back on pressing for collection of the bond forfeitures.

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Ward denied the allegations and announced he will oppose Garrison for district attorney in November's Democratic primary.

~~In addition to the \$629,000 listed in May, Wimberly claimed that another \$115,275 on bond forfeitures would come due to the state when six-month waiting periods have elapsed at the end of August.~~

In a separate accounting, City Traffic Court Judge David MacHauer informed the insurance commissioner's office of some \$25,000 in outstanding bond forfeitures by Maryland National. However, not all were final judgments as of April 8, pending the lapse of the six-month period.

Maryland National is contesting the district attorney's claim and is seeking to have the judgments set aside.

A HEARING ON WHETHER TO REVOKE the license of the firm has been scheduled June 30 by state Insurance Commissioner Dudley Guglielmo.

Wimberly wrote the May 21 letter as a followup to an affidavit filed with the commissioner of insurance Jan. 3, claiming then the firm owed more than \$250,000.

He said this was based on an audit of the minute books of the district courts.

Wimberly declared, "Every method available under the

law has been made to collect" the appearance bond forfeitures and added, "There is little hope that Maryland National Insurance Co. will honor the . . . obligations."

A hearing was scheduled Feb. 14 by the insurance commission, ordering the firm to show cause why its certificate of authority to do business should not be revoked.

HOWEVER, A CONTINUANCE WAS granted to March 4 and then another was agreed to by Wimberly until April 3 with a proviso that no further extensions be granted.

Despite this, several other continuances were granted and during this period, Maryland National made a compromise offer which was rejected by the district attorney.

Wimberly wrote Guglielmo in response to a request made by the commissioner at an April 21 meeting in Baton Rouge that was attended by attorneys for the bonding company.

He said since April 21, Maryland has made two additional payments totaling \$12,250 for 72 judgments of bond forfeiture.

Wimberly said the DA's office was informed by the attorneys that the outstanding judgments resulted from fraudulent use of power of attorney stolen from Century Bonding Company of Indianapolis, its agent for bail bond opera-

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tions. The powers of attorney then allegedly were sold to ~~to unauthorized individuals who wrote the bonds in question.~~

CLOSE SCRUTINY, HOWEVER, raised serious questions on this defense, Wimberly countered. He noted that some of the judgments dated back to 1965.

"We do not feel, therefore, that this company should be permitted to evade its legal debts by a belated claim of ignorance of alleged embezzlement by one of its own agents," Wimberly said.

"And we are prepared to pursue collection efforts in the courts of whatever jurisdiction assets of Maryland National are to be found," he continued. "The judgments in our possession, through the rendition date of Nov. 11, 1968, are final and unimpeachable in any court."

Records checked by the States-Item in both the insurance commissioner's office and in the state treasurer's office show that the district attorney of Orleans has not been careful in following through on bail bond forfeitures.

There is a long list of notices of seizures of bonds put up by bonding companies that are still outstanding on the books. Many of them are for Maryland National, while some are for other firms including some which have gone out of business.

BEFORE A COMPANY CAN DO BUSINESS it must post a bond with the state treasurer's office. In the event an appearance bond is forfeited in court, the state obtains a judgment against the defendant and the bonding company.

The process includes a notice of seizure of the firm's

assets with the treasurer.

Then it is up to the district attorney's office to follow through and obtain a motion to turn over funds.

In many cases involving New Orleans bond forfeitures the first steps in the process of seizing the company's assets have been taken but there have been no follow-ups.

The outstanding notices are much less than the amount cited by Wimberly. Apparently, not even the first step in forcing the company to pay was taken in a number of cases.

IRONICALLY, THE DISTRICT ATTORNEY'S office in New Orleans loses by this neglect since it is the only DA's office in the state which can keep the bond forfeitures for its own use.

It is uncertain if the records in the treasurer's office truly reflect outstanding bonds since the district attorney's office may have been lax in notifying of releases from the judgments.

However, some of the judgments in the Maryland National file date back to 1966 in the treasurer's office. Four of the bonds are for \$7,500 each and five are for \$5,000

each. The rest are in lesser amounts.

In December, 1968, a judgment was rendered in Civil District Court in New Orleans against Maryland National Insurance Co., dismissing its suit against Garrison and lifting a restraining order.

In January, Wimberly began moving against Maryland. He forwarded a list of names to the treasurer inquiring the status of efforts to foreclose on the company bonds.

THE TREASURER NOTIFIED HIM that no further action would be taken until a motion to turn over funds is served by the sheriff.

At the same time, Wimberly also began action against another firm, United Bonding Insurance Company. He sent a list of 35 judgments.

The treasurer reported that one surety bond in the amount of \$10,000 had been seized by the sheriff after a motion to turn over funds had been served. This covered part of the cases, but the rest await further action.

A number of the Maryland cases on file with the treasurer were begun in May and June of this year.

In the case of one company whose license was revoked last year, there is more than \$100,000 in bond forfeitures listed as outstanding in the treasurer's office. Two of these are in \$10,000 amounts and seven are for \$5,000.

The United Benefit Fire Insurance Company, which is in receivership, has about \$80,000 in bond forfeitures outstanding with the treasurer, including three bonds for one person totaling \$35,000.

'Blackmail,' Says Ex-Aide to DA

By JACK DEMPSEY

Former Assistant Dist. Atty. Charles R. Ward today accused a New Orleans attorney representing a bail bonding firm of attempting to "blackmail" the district attorney's office into settling a claim of more than \$500,000 for \$100,000.

Ward made an accusation of attempted extortion against Ralph Kaskell, an attorney with the law firm of Deutsch, Kerrigan and Stiles. Kaskell represents the bail-bonding firm of Maryland National Insurance Co.

Ward accused Kaskell in a letter to Fernand S. Lapeyre, foreman of the Orleans Parish Grand Jury. The former assistant district attorney said he wanted to testify before the grand jury.

A CHECK BY States-Item staff writer Bill Lynch with the state insurance commissioner showed Maryland National now owes \$629,000 in bond forfeitures due in criminal court cases.

Ward alleged the attempted extortion took place in a conversation between Kaskell and assistant DA Shirley G. Wimberly Jr.

Kaskell allegedly told Wimberly that the DA's office should accept the offer of \$100,000 or face the embarrassment of revelation of affidavits held by Kaskell accused Ward of accepting bribes from Maryland National officials.

WARD SAID THE charges of public bribery against him are "unquestionably false and are known by Mr. Kaskell and Deutsch, Kerrigan and Stiles to be totally worthless as evidence in a court of law or anywhere else."

Ward requested an oppor-



LAWRENCE A. MERRIGAN, president of the Bank of New Orleans, was appointed to the Louisiana Highway Board today by Gov. John J. McKeithen. Merrigan will fill the post left vacant by the death of Leander H. Perez Sr., and will represent the First Congressional District.

tunity to testify before the Grand Jury, saying he would waive all rights and immunities.

The bail bonding firm of Maryland National is the former employer of William Hardy Davis, who filed an affidavit with Dist. Atty. Jim Garrison accusing Ward of accepting bribes.

WARD WAS Garrison's chief assistant until his resignation Tuesday. Ward charged Garrison was not loyal to him, withdrawing the nomination

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of Ward for Criminal District judge using the bribery accusation brought by Davis as the reason.

Ward said he personally delivered his letter to Lapeyre before today's session of the grand jury.

In the letter, Ward said Maryland National incurred much of the liability to the state of Louisiana during 1968. He said that when Maryland National failed to deliver promised installment payments, the DA's office filed a claim against the company.

WARD SAID Maryland National then retained Deutsch, Kerrigan and Stiles whose offers to settle the claim for \$100,000 were rejected by the DA's office.

According to Ward, Kaskell then asked Wimberly to meet him at a downtown bar. When Wimberly declined, Kaskell went to the DA's office to meet Wimberly and suggested they talk at a restaurant across the street.

Ward says it was at the restaurant that Kaskell told the DA's office the \$100,000 should be accepted or the alleged public bribery would be revealed.

WARD SAID Wimberly drafted a memorandum to Garrison, telling him of the alleged threats and the affidavits of Davis and others.

"In the memorandum, Mr. Wimberly expressed the opinion that this was sheer 'black-mail,'" Ward said in his letter.

Ward said Garrison also expressed the opinion that Kaskell's proposition was "black-

mail."

THE TEXT of Ward's letter follows:

Dear Mr. Lapeyre:

Please consider this request for a grand jury investigation into what I believe is attempted extortion. It is my belief and considered legal opinion that an attempt has been made by Mr. Ralph Kaskell, of the law firm of Deutsch, Kerrigan and Stiles, to extort from the district attorney's office a favorable settlement for his client, Maryland Insurance Co., an insurance company doing business in New Orleans, insuring bail bonds. He has attempted to obtain a settlement of a claim for more than \$500,000 for the sum of \$100,000 by threatening to reveal an alleged act of public bribery allegedly involving me as chief assistant district attorney. These allegations are unquestionably false, and are known by Mr. Kaskell and Deutsch, Kerrigan and Stiles to be totally worthless as evidence in a court of law or anywhere else.

Public extortion has been defined as:

Extortion is the communication of threats to another with the intention thereby to obtain anything of value or any acquittance, advantage, or immunity of any description. The following kinds of threats shall be sufficient to constitute extortion:

(1)

(2) A threat to accuse the individual threatened or any member of his family or any other person held dear to him of any crime;

(3) . . .

(4) A threat to expose any secret affecting the individual threatened or any member of his family or any other person held dear to him.

A brief summary of the facts known to me and which I am confident that testimony

will show are set forth herein below:

Maryland Insurance Co. during the past several years of its operation in Louisiana operated through several agents. Acting through these agents Maryland Insurance Co. incurred certain liabilities to the state of Louisiana as a result of forfeitures of bonds for nonappearances of criminals in courts. This liability skyrocketed during 1968.

As a result of the tremendous increase in liability, demands for payment were made by the district attorney's office. Maryland Insurance Co. informed the district attorney's office that the entire liability could not be liquidated upon demand, and an installment payment plan was proposed by Maryland and ultimately accepted by the district attorney's office, which provided for periodic monthly payments to reduce the outstanding balance with the understanding that all current forfeitures would be paid immediately. Maryland Insurance Co. did not live up to the agreement, and the district attorney's office seized all security deposits belonging to Maryland Insurance Co. in Louisiana.

The law firm of Deutsch, Kerrigan and Stiles was re-

tained by Maryland Insurance Co. to defend them ~~against this claim. Mr. Kaskell (Deutsch, Kerrigan and Stiles) assured the district attorney's office, who was represented by Mr. Shirley Wimberly, that the entire amount would be paid in full as soon as the entire liability could be ascertained. Subsequently, in the early part of 1969, Mr. Kaskell informed the district attorney's office that an employe of Maryland had stolen certain powers of attorney which were used in New Orleans to write bonds illegally. Mr. Kaskell proposed a compromise of the claim asserting the defense that agents of Maryland Insurance Co. were NOT authorized to write bonds. This offer of compromise was rejected.~~

The district attorney's office notified the commissioner of insurance of the outstanding liability and a hearing was held in the commissioner's office in Baton Rouge, April 21, 1969. At the hearing Maryland Insurance Co. was granted a 30-day grace period to liquidate their liability. On May 21 the district attorney's office notified the commissioner's office by letter that the claim was not settled. A copy of this letter was sent to Deutsch, Kerrigan and Stiles. Mr. Redfearn subsequently appeared in the district attorney's office and tendered a check for \$100,000 accompanied by a letter which contained words to the effect that the compromise was offered to maintain good relations with the district attorney's office. This offer of compromise was also rejected.

Mr. Kaskell later made an appointment to meet Mr. Wimberly and suggested a meeting at a downtown bar. Mr. Wimberly declined and Mr. Kaskell then made an appointment to see Mr. Wimberly in the district attorney's office on June 6, 1969. When Mr. Kaskell appeared he refused to discuss business in the district attorney's office and suggested that he and Mr. Wimberly go to the Kopper Kitchen across the street. It was at the Kopper Kitchen that Mr. Kaskell said that he thought the district attorney's office should compromise, otherwise it would be greatly embarrassed by evidence to be produced at the hearing and Kaskell then read to Wimberly portions of a deposition which purports to involve me, and again strongly urged that Wimberly accept \$100,000 as settlement in full. This offer was also rejected.

Mr. Wimberly promptly drafted a memorandum to Mr. Garrison informing him of the threats. In the memorandum Mr. Wimberly expressed the opinion that this was sheer "blackmail." When I finally was apprised of the affidavits Mr. Garrison also expressed the opinion that this was "blackmail."

I am confident that the above facts are readily provable by testimony from witnesses. Examination of the ~~statute prohibiting extortion~~ indicates that this type of action is prohibited and is extortion or "blackmail."

I feel that the grand jury is the appropriate investigative and accusatorial body since these allegations are made against a former law partner of the present district attorney, and because of the very close and personal relationship of Mr. Eberhard Deutsch to Mr. Jim Garrison.

Since I am the subject of the threat, I request an opportunity to testify before the grand jury in this matter. I hereby waive all rights and immunities that I may be entitled to by virtue of the United States Constitution or the constitution of the state of Louisiana. I will sign a written waiver before I testify.

I will deeply appreciate your consideration of this request as promptly as possible.

Very Truly Yours,
Charles P. Ward.

Deutsch said he did not care to comment on the matter and that Kaskell was out of town.

"But if you'll check the Federal Court records you'll find that a restraining order was issued yesterday preventing Wimberly and Garrison and others from collecting on the bonds until a hearing is held to look into the matter," Deutsch said.

Meanwhile, Federal District Court Judge Lansing L. Mitchell has issued a temporary restraining order against any action taken to collect the bond forfeitures until he can conduct a hearing at 10 a.m. Monday.

The restraining order was issued against the state insurance commissioner, Garrison, Wimberly and East Baton

Rouge Parish Sheriff Bryan Clemmons.

It specifically prohibits the state agencies from issuing any writs to make these collections effective and it prohibits the state from taking any action to interfere with the insurance company doing business in Louisiana.

Criminal Court Judge Thomas Brahney Jr. was a surprise visitor to the grand

jury after the letter was delivered to the foreman. Assistant District Attorneys Numa Bertel and William Alford Jr., and the stenographer left the jury room, giving rise to speculation that the jury was asking the judge for legal advice about the matter.

The district attorney normally is the legal advisor to the jury.

It also was reported that the grand jury has rescinded

subpoenas issued for four persons reported to have made depositions involving the reported extortion.