

## CORRUPTION IN LOUISIANA

by A Special Correspondent

NEW ORLEANS

Ever since Huey P. Long established a political despotism in Louisiana in the 1930s, the term "Louisiana politics" has been used as a synonym for corruption and tyranny. Huey Long, elected Governor of the state in 1928 and U.S. Senator in 1930, was beginning to establish himself as a figure of national prominence when he was assassinated in the State Capitol building at Baton Rouge in 1935. Long had predicted that after his death many of his associates would "land in the penitentiary," and a few years later he was proved right in a series of spectacular Federal indictments. Many leading political figures in the state were sent to jail.

Earl Long, Huey's brother, governed the "great state of Louisiana" (as he called it) for two terms after the war, but the power of the Long dynasty began to fade when Jimmie Davis, composer of 'You Are My Sunshine', won the 1960 gubernatorial election. Davis campaigned in cowboy attire, accompanied by a hill-billy band. This contrasted with Earl Long's style: in the vigor of political discussion he once bit a man in the neck. Huey's son Russell Long now occupies a seat in the U.S. Senate, but today the influence of the Long family upon Louisiana politics is only vestigial.

However, recent developments in the state suggest that elected officials here are still as corrupt as they ever were. Last month, Jack P. Grenillion, the Attorney General of Louisiana, was indicted on a charge of fraud and conspiracy in the bankruptcy of a New Orleans financial corporation. Four other men, including a state legislator from Orleans Parish, were also indicted by a Federal grand jury after a year-long investigation into the operations of the now defunct Louisiana Loan and Thrift Corporation. The Justice Department said that the defendants owned stock in the company.

The indictments stem from issuance of bond investment certificates and accused the five men of making false statements to prospective purchasers to stimulate sales of certificates. The statements involved assurances to customers concerning the safety of their investment and the financial stability of the corporation. They are also accused of conspiring to sell the certificates without registering them with the Securities and Exchange commission, as required by law. Jack Grenillion was accused of issuing an official opinion that the certificates were not subject to S.E.C. regulations. Another accusation in the charge was that the defendants misdirected substantial funds for investment purposes and as fees for themselves.

The fact that the Attorney General of the state should have such connections with a fraudulent loan corporation has not evoked much surprise here, and Grenillion has refused to resign. If convicted, he could receive up to five years imprisonment, but he says he will be vindicated by the courts. This view is not shared by the 1,400 depositors of Louisiana Loan & Thrift, many of whom have lost their life savings in the bankruptcy of the corporation.

It has also been revealed that two other prominent state officials, Governor John McKeithen and District Attorney Jim Garrison, had connections with the loan company. Both are sufficiently politically embarrassed as it is. After the Kennedy conspiracy trial, in which Clay Shaw was found not guilty, Garrison had editorial abuse heaped on him, and several groups called for his resignation. The New York Times called the Garrison investigation "one of the most disgraceful chapters in the history of American jurisprudence." Clay Shaw held a press conference shortly after the verdict, and said that he believed Garrison knew he was innocent, and "used me as a pawn to mount an attack on the Warren Commission." When asked if there was any possibility of a suit, Shaw said "This is by no means the end of the matter." Two days later he was charged again by Garrison, this time with perjury.

Shaw also questioned the use of private funds, contributed by wealthy business men, to finance an investigation launched by an elected official. This is not the first time Garrison's finances have been questioned. Earlier, a national magazine had revealed that Garrison was in the habit of staying at the Sands Hotel in Las Vegas, where his bill was paid by Mario Marino, an associate of the New Orleans Mafia chieftain, Carlos Marcello. Garrison was also granted \$5,000 credit in the cashier's cage, which meant he could gamble up to that amount without putting his own money on the table. He admitted that it was true, but added: "I don't see what's wrong with it. I imagine any D.A. would have a good credit rating in a casino." Jim Garrison is presently under investigation by the Internal Revenue Service.

[I think this is relevant in the context of an article about corruption, but not in the context of his assassination investigation.]

Carlos Marcello is the undisputed boss of underworld operations in Louisiana, and he is widely regarded as one of the most powerful men in the state. His total worth has been estimated at more than \$40 million. He owns motels and vending machine companies, as well as controlling illegal gambling and bookie operations, which flourish without noticeable interference by law enforcement agencies. He operates through a system of political pay-offs which enable him to control the makers and enforcers of law at every level of state government.

State authorities, for the most part, take the view that Marcello isn't there. "I'm thankful we haven't had any racketeering to speak of in this state," said Governor John McKeithen. The Federal government evidently does not concur with this judgment. Recently a special task force was assigned by the Justice Department to investigate corruption in two states--New Jersey and Louisiana. Life magazine, in a series of articles about organized crime in America, have raised even more ominous questions about the extent to which the Governor's office itself is directly controlled by Carlos Marcello.

In March, 1967, Jimmy Hoffa, then president of the Teamsters (truck drivers) Union, was sent to jail for eight years as a result of a jury tampering conviction in Chattanooga, Tennessee. The principal government witness against Hoffa was Edward G. Partin, business agent for Teamsters Local No. 5 in Baton Rouge. Hoffa had not been in jail for more than three months before a series of dynamitings and rifle shots at cars shut down construction in \$500 million worth of industrial development in the Baton Rouge area, much of it involving workers from Partin's own local.\* Partin then revealed that he had been <sup>offered</sup> \$1 million to change his testimony, and thus release Hoffa from jail.

The money was collected by friends of Hoffa and then placed at the disposal of Cosa Nostra (Mafia) mobsters, to be payable to anyone who could wreck the case against Hoffa. Life charged that Carlos Marcello, instead of offering the money directly to Partin, used an intermediary in the Governor's office, Aubrey Young. Marcello himself several times telephoned Young, an aide and confidant of Governor McKeithen, at the Governor's office, and set up a meeting with Partin. Before Life revealed that they had conclusive evidence of these phone calls, McKeithen called the charge a "deliberate smear" of the state, and offered to resign if it were shown that mobsters wielded influence in his administration. His resignation was not forthcoming, however.

In the wake of these embarrassments, McKeithen established a Labor-Management Commission, which is still reputedly investigating the allegations. In fact the Commission has done little to date, and in the opinion of most local newsmen, is more intent on silencing the allegations.

Another problem that besets Louisiana is that there is scarcely enough public money available to carry out even the most basic public services, such as garbage collection. Logically, the state ought to be

\* Life and the NY Times interpret the dynamitings differently. I have taken the Life [Pro-Partin] view.

wealthy. New Orleans is the second largest port in the nation, and there is an abundance of oil in the state. Louisiana leads the nation in the production of sugar cane, has high state taxes, as well as a considerable revenue from tourists. There is, however, a disproportionately large number of state employees, many of them in sinecures. The money just seems to vanish in an administrative abyss. Many Louisiana residents are resigned to the fact that the state seems to operate for the benefit of its officials, rather than the other way about, and feel powerless to do anything about it.

Aaron Kohn, the managing director of the Metropolitan Crime Commission here, (a citizens' watchdog group with no official authority,) summed up the situation accurately. "After about a year, I began to realize something about the system down here," he said. "In Chicago people were generally on one side of the fence or the other--honest or crooked. But in Louisiana there just isn't any fence."

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