

Thursday, August 23, 1973

Testimony on pinball meeting

BRIBERY SYSTEM DETAINED

Testimony on Page B-6

EDITOR'S NOTE: The following story was gathered and compiled by States-Iem staffers Ray Lincoln, Larry Thomas, Ed Lepoma and Bill Rainey.

A coin machine distributor testified today he attended a meeting setting up \$50,000-a-year bribery payments for pinball gambling protection and later helped collect the payoff money.

John Elmo Pierce, operator of Pierce Amusement Co., testified for the prosecution at the pinball bribery trial of Dist. Atty. Jim Garrison and two pinball company executives, John Aruns Callery and Robert Nims. The trial is in its fourth day before U.S. Dist. Court Judge Herbert W. Christenberry and a jury of nine men and three women.

Nims testified the bribery payments were made quarterly, \$12,800 each quarter, and had to be paid three months in advance. "Because police don't give no credit,"

Pierce was one of 10 men indicted in the case but he has been granted a separate trial.

PIERCE TESTIFIED he worked with former police vice squad commander Frederick A. Soule Jr. to set up a system whereby Soule would alert

pinball machine owners about pending vice squad raids. Soule also was indicted and has pleaded guilty.

Pierce said the meeting arranging for the protection money was held in November 1967 in the office of Robert Nims, owner of Lucky Coin Machine Co. Nims and John Aruns Callery, a former partner in New Orleans Novelty Co., are on trial with Garrison.

Pierce said the meeting was attended by Nims Callery, Lawrence A. Lagarde Sr., a partner in TAC Amusement Co., Emilie Willie, owner of Broadmoor Music Co. and Algiers Amusement Co., and Pierce.

He said the amounts to be paid were:

- Lawrence A. Lagarde, TAC Amusement Co., \$5,000.
- Louis M. Boasberg, New Orleans Novelty Co., \$3,000.
- Nims, \$1,000.
- Santo Difatta, Palace Amusement Co., \$1,300.
- Willie, \$500.

Pierce said he received a free ride because he collected from some operators and because he acted as a contact with then-head of the New Orleans Police Department vice squad, Lt. Frederick A. Soule Sr.

U.S. ATTY. Gerald J. Gallinghouse asked Pierce what the money was to be used for.

"To prevent police from picking up

Turn to A-6, Column 1

Continued from Page 1

the games," Pierce replied.

Pierce testified that two days after the meeting in Nims' office he was called by Callery who told him a meeting had been arranged between Pierce and Soule. They met, Pierce said, at the Howard Johnson's Motor Hotel in Gentilly.

It was agreed, Pierce said, that when a raid was pending Soule would call Pierce and tell Pierce he was going out to look at some real estate. When Pierce was told where the real estate was located it would be a tip on the area selected for the police raids.

GALLINGHOUSE asked Pierce what he was to do with the information gathered from Soule.

"I was to call people who were putting up the money," Pierce said.

He said another role for him was collecting the payoff money from Nims, Willie and Difatta. He said he would take that money to Callery except when Callery was out of town.

when he would turn it over to Ralph Bosworth at New Orleans Novelty.

The government laid the groundwork for its case yesterday with a parade of barroom owners who admitted to pinball gambling, testified they were warned to "be careful" and to look out for the vice squad.

Pierce is the first of seven original defendants expected to testify for the government in the trial.

Others are Soule and pinball figures John Elms Jr. and Boasberg, who have pleaded guilty, and former police Sgt. Robert N. Frey and pinball figures Lagarde and Harry Marks who have been granted separate trials.

The 10 were indicted in December of 1971 on a charge of conspiracy to obstruct law enforcement by giving and taking bribes to protect pinball gambling.

Pierce was the key witness in a federal court trial earlier this year when Boasberg, Nims, Lagarde and Elms were convicted of shipping pinball

machines illegally in interstate commerce.

Pierce said the bribe arrangement was suggested by Callery and the other machine operators went along with the suggestion. He said none of those from whom he collected ever missed a payment.

Pierce testified that Nims' share of the protection money eventually was doubled to \$2,000 quarterly. He said this was done "because I found out he had a great deal more games on the street than I thought he did." He said Nims did not object to increasing his payments.

He said the payoff period extended from Dec. 1, 1967, through September of 1970. During that period Soule was promoted to captain and shifted to Garrison's office as an investigator. Frey was Soule's successor as vice squad commander.

Pierce testified for 55 minutes and examined for another 50 minutes.

After a 15-minute recess was cross-

Under questioning by Nims' attorney, Louis C. Lacour, Pierce admitted

he lied during an appearance before the House Committee on Interstate Commerce.

The committee was considering legislation to ban interstate shipment of pinball machines and he appeared on behalf of New Orleans distributors, Pierce said.

He said he lied when he told the committee he awarded prizes instead of cash on pinball payoffs.

Q. Why did you lie?

A. Sometimes when you are in an illegal business you have to lie to keep going.

Q. You lied to save your business didn't you?

A. I did it for myself and others.

Q. What was your main interest?

A. Myself.

Pierce said he decided to become a government witness on the advice of his attorney. He said going on trial would have cost him \$25,000 and he could not afford it.

"You figured that (testifying for the government) was cheaper than going to trial?" Lacour asked.

A. Yes.

Under questioning by Virgil M. Wheeler, Callery's attorney, Pierce said Callery did not personally tell him to attend the meeting in November of 1967 but he received a message to attend an important meeting at Lucky Coin Co. and he assumed it came from Callery because Callery was in charge of the meeting.

Referring again to Pierce's testimony before the congressional committee, Wheeler asked:

"Would you lie to save your own hide?"

Pierce replied, "No. I lied then but I'm telling the truth now.

Across the courtroom, defense attorneys were not visibly disturbed by the testimony.

Then they were alerted to what could be a crippling blow.

U.S. Dist. Court Judge Herbert W. Christenberry told the defense he has "grave doubts" that tape recordings of television interviews with government informer Pershing O. Gervais will be admissible as evidence.

THE DEFENSE is seeking to bring the taped interviews into court to discredit the controversial tapes gathered by Gervais while he worked as a government investigator.

The television tapes contain statements by Gervais that he was coerced into being a government spy. The government tapes contain conversations of defendants, purporting to link them with bribes and gambling. They are the government's key evidence.

With the testimony of bar operators, U.S. Atty. Gerald J. Gallinghouse will forge ahead in an attempt to prove that Garrison headed a bribery ring that shielded pinball gambling from police.

THE GOVERNMENT is trying to prove that Garrison, former aide Frederick Soule, and former vice squad commander Sgt. Robert Frey provided pinball dealers tips on vice squad activity in return for thousands of dollars in bribes.