



# Department of Justice

FOR IMMEDIATE RELEASE  
WEDNESDAY, JUNE 30, 1971

New Orleans District Attorney Jim Garrison, two New Orleans police officers and seven other persons connected with pinball machine operations were arrested today on Federal charges of bribery, illegal gambling, and obstruction of law enforcement.

Attorney General John N. Mitchell said arrest warrants were issued last night after the U. S. Attorney in New Orleans, Gerald Gallinghouse, filed a criminal complaint developed from a year-long investigation.

According to a 113-page affidavit filed with the complaint, payments of up to \$1,500 a month were being made to Garrison and the police officials to protect illegal gambling in coin-operated pinball machine operations.

Tape recordings of some of the actual transactions are part of the government's case, according to the affidavit. A former member of Garrison's staff acted as the conduit for the exchange of the money and also recorded the conversations.

The investigation was conducted by the Justice Department's New Orleans Strike Force in cooperation with Gallinghouse's office, the Internal Revenue Service, and the Federal Bureau of Investigation, Mr. Mitchell said.

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Treasury agents of the Internal Revenue Service made the arrests today.

In addition to Garrison, 50, the complaint named:

Frederick A. Soule, Sr., 51, a police captain assigned as an investigator to the staff of District Attorney Garrison;

Robert N. Frey, about 38, a police sergeant who commands the Department's Vice Squad.

Louis M. Boasberg, 60, partner in the New Orleans Novelty Company and New Orleans Novelty Sales Company;

John J. Elms, Jr., 29, partner in TAC Amusement Company, New Orleans;

Lawrence L. LaGarde, 52, partner in TAC Amusement Company;

Harby S. Marks, Jr., 57, an employee of New Orleans Novelty Company;

Robert Nims, about 40, principal stockholder of REN Enterprises, Inc., a holding company of Lucky Coin Machine Company, Inc.; AMA Distributors, Inc.; RDM Corporation, and Le Cafetierie, Inc., all of New Orleans;

John Elmo Pierce, 54, owner and operator of Pierce Amusement Company, New Orleans;

John Aruns Callery, 63, lobbyist for the pinball machine industry in the Louisiana State Legislature.

The four-count complaint under which the warrants were issued charged all 10 men with illegal gambling, use of bribery to obstruct law enforcement, interstate travel or transportation in aid of racketeering--in this case illegal gambling--and conspiracy to violate the above laws.

The affidavit, signed by Floyd D. Moore, Chief of the Intelligence Division of the Louisiana IRS District, named Pershing Gervais as the man who acted as cooperating witness and who set forth activities in which he was involved with those arrested.

Gervais was chief investigator on Garrison's staff from 1962 to 1965. He also has worked as a private investigator and was a New Orleans policeman from the mid-1940's until 1952.

In the affidavit, Gervais said he was the intermediary to whom the bribes were paid by certain pinball machine owners and dealers and who delivered the payments to the law enforcement officials. He said he has been cooperating with the IRS since June, 1969, and with the Strike Force since its inception in July, 1970.

Gervais said that for the past nine years, he has been the conduit through Callery for payoffs from pinball machine dealers to Garrison. Payments to the District Attorney have ranged from \$2,000 to \$3,000 bi-monthly, he said.

After the FBI raids in November, 1970, Gervais said, the bi-monthly payments dropped to \$1,000 to Garrison and \$500 each to Soule and Frey.

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With Gervais' consent, and with the approval of the Attorney General and the IRS Commissioner, the IRS began recording conversations between Gervais and those named in the complaint in November, 1970.

The recorded conversations, according to the affidavit include:

- Actual payoffs to Garrison in March and May, 1971;
- Soule saying he has \$75,000 in a safe deposit box which he has collected from Callery;
- Soule saying he received \$750 monthly between 1962 and 1968;
- Arrangements are made for Marks to deliver the payoffs from certain pinball owners and operators to Gervais.

In describing the arrests, Gallinghouse said today that Marks delivered \$2,000 to Gervais last night and Gervais then delivered \$1,000 in marked bills to Garrison.

Following the transaction, IRS agents obtained arrest warrants for the 10 persons and a search warrant for Garrison's premises to recover the marked money.

This morning Gervais delivered the other \$1,000 in marked bills to Soule, who passed \$500 on to Frey, Gallinghouse said.

Meanwhile, FBI agents executed approximately 275 search warrants on pinball locations in New Orleans and Baton Rouge, as well as some 85 locations in the Gulf Coast area of Mississippi, including Gulfport, Biloxi and Pascagoula, and were to seize all gambling machines.

There were to be no arrests in Mississippi.

The coin-operated machines are legal in Louisiana and Mississippi unless a player can receive money from them by gambling. Mr. Mitchell said that illegal pinball gambling in Louisiana is estimated to be a \$15 million-a-year racket.

In October, 1970, IRS agents in Louisiana and Mississippi seized 354 gambling type pinball machines for failure to pay the special tax imposed on them by federal law.

In November, 1970, FBI agents in Louisiana and Mississippi seized approximately 3,000 gambling type pinball machines and more than 1,000 slot machines not registered with the Attorney General as required by federal law.

The maximum penalty upon conviction for illegal gambling is five years in prison and \$20,000 fine; obstruction of law enforcement, five years in prison and \$20,000 fine; interstate travel in aid of racketeering, five years in prison and \$20,000 fine; and conspiracy, five years in prison and \$10,000 fine.

In addition to the FBI and IRS, Mr. Mitchell cited the Customs Bureau, the Secret Service, the Labor Department, and the Postal Inspection Service for their contributions to the Strike Force investigation.