

Panel Disputes Report on Mafia

By BILL LYNCH
(States-Item Bureau)

BATON ROUGE—A special committee named by Gov. John J. McKeithen to study allegations by Life magazine of Mafia influence on state government has issued its report, disputing some of the charges.

To a large extent, the committee depended on statements from state employees and commissions who were cited in the magazine story for the basis of its report.

Gov. McKeithen named W. W. McDougall, Commissioner of Administration; Gen. David Wade, State Adjutant General; William Dent, Public Safety Director, and Eugene J. Murret, Executive Council, to conduct the investigation.

THE COMMITTEE offered statements from a number of persons in refutation of the Life charges.

One of the principal charges was against the state Revenue Department and its director, Ashton Mouton, who denied improper handling of tax returns for underworld figures, including Carlos Marcello of Jefferson Parish.

The committee confined its investigation to specific charges made in the magazine and did not include any

charges against Gov. McKeithen. The committee noted that McKeithen contemplates a law suit and left that part to any court action.

A rundown of the charges and answers by the committee yesterday included:

A PROBE OF the 1967 Life charges on Mafia influence was conducted by attorney Camille Gravel of Alexandria, then chief counsel for the labor-management commission. The Gravel probe was halted when it focused attention on the governor's aide, C. H. "Sammy" Downs, and Gravel quit in disgust, the magazine said.

The committee declares Gov. McKeithen did not halt Gravel's probe, although the magazine did not say he did. The Gravel investigation previously has been reported.

It was a simultaneous in-

(Turn to Page 2, Column 3)

NEW ORLEANS

Special Panel Disputes Life's Report on Mafia

Continued from Page 1

investigation with that of the district attorney of Baton Rouge but was separate completely.

The probe was confined to former governor's aide Aubrey Young and came to a halt when it began pointing elsewhere.

THE COMMITTEE, on the basis of a new statement by Gravel, says his information was turned over to the district attorney. However, the two conducted separate probes and did not cooperate.

Downs, now director of public works, denied any association with Marcello. The magazine called him a good friend of Marcello.

Life said state Highway Director Leon Gary is the man to see whenever a state legislator wants free accommodations in Las Vegas. The committee relied on Gary's previously issued denial of the accusation. He said he had called on behalf of two lawmakers but did not arrange for trips.

Life accused Tom Ashy of Lafayette, a member of the State Racing Commission, of being a bookie with connections with Marcello. Ashy signed an affidavit denying the charge.

THE COMMITTEE said Frank "Ticke" Saia was not a member of the state licensing board for contractors at the time of his arrest in Houston on a gambling charge last September, having resigned earlier. It also said it could find no evidence of a state

police official helping him to get out on bond, although a colonel of state police purportedly inquired about him.

Life said a \$32 million tax claim against a large national corporation was allowed to expire and the committee said it found that the department's largest claim was between \$1 million and \$2 million.

On a charge that Emmett Batson, chief legal counsel for the Revenue Department, had failed to file his own tax returns since 1965, the committee said he filed delinquent returns for 1966 and 1967. The returns included private legal fees, the committee said.

Life charged that the Revenue Department had failed to prosecute a single income tax evasion case since 1942 and the committee reported that Mouton acknowledged this.

ON THE QUESTION of the Marcello family's tax returns, the committee said some of the unpaid claims are pending the outcome of federal litigation and others are being handled in a normal procedure.

There is one note in the committee report that Joe Marcello, operator of the Elmwood Plantation Restaurant, had not filed a return for 1965.

Life noted that a file on Marshall Brown, state Board of Education member from New Orleans and national Democratic committeeman from Louisiana, had been marked for special handling. The committee reported that Brown, in late 1967, entered into an agreement with the Revenue Department to pay an additional tax due on an installment basis. The report said Brown made two month-

ly payments and no more, but did not explain if more was owed.

The committee cited reports from Jefferson Parish officials that Churchill Farms, a large marshy tract owned by Marcello, was not drained by a pumping station depicted in a photograph in Life.

HOWEVER, the reports noted that part of Churchill Farms was included in another district in 1965 "for the purpose of providing services to an area previously being given drainage without paying taxes."

On a statement that McKeithen authorized issuance of a \$500,000 check to Churchill Farms for land in the construction of a levee, the committee said it could find no evidence of such a payment.

The committee asked Life to send it additional information, saying "our investigative group is determined to obtain the facts and we would appreciate any assistance that you can give us."

Also noted in the report was action by the state Tax Commission increasing the assessment against Churchill Farms from \$8,000 to \$263,388.