

Federal Jury Indicts Texans In Fraud Case

Associated Press

A federal grand jury indicted Waggoner Carr, former Texas attorney general, on charges stemming from an alleged attempt to defraud an insurance company, the Justice Department announced here yesterday.

Indicted with Carr were Joe P. Novotny, former president of the Sharpstown State Bank of Houston, and John Osorio, a former insurance commissioner for the state of Texas and president of National Bankers Life Insurance Co. of Dallas from 1962 to 1970. Carr was state attorney general from 1962 to 1966.

A second indictment charged Carr and five other Texans with securities fraud and conspiracy.

The first indictment charged Carr, Osorio and Novotny with 12 counts of mail fraud and wire fraud in an alleged scheme to defraud National Bankers Life of \$582,000.

The indictment alleged that Carr and Osorio used the

money to repay personal debts.

It charged that they had borrowed \$550,000 from the City Bank and Trust Co. of Dallas, then borrowed the same amount from the Exchange Bank of Dallas to pay off the first loan which was used by Carr, Osorio and Novotny to purchase control of South Atlantic Co. of Tampa, Fla.

The indictment alleged that Carr, Osorio and Novotny used assets of National Bankers Life as security for the Exchange Bank loan and that National Bankers had to use \$582,000 to make good the guarantee because it could not pay it off.

The second indictment charged Carr, Osorio and Dallas lawyers Tom Thomas and Jarrell Orman with securities fraud, mail fraud, false filings with the Securities and Exchange Commission, and conspiracy; David Hoover, a Dallas businessman, and Thano Dameris, a Houston attorney, were charged with securities fraud and mail fraud, the Justice Department added.

Both indictments were returned in the U.S. District Court in Fort Worth, the department said.

It said securities fraud was punishable by up to \$5,000 fine and five years in prison; mail and wire fraud \$1,000 and five years on each count; false filing \$10,000 and two years; and conspiracy to violate the false filing provisions by \$10,000 and five years in prison.