

By MICHAEL LOLLAR

Jesse Epps, former executive director of the American Federation of State, County and Municipal Employees here, denied in federal court yesterday that he embezzled union funds between 1968 and 1970.

The 38-year-old union organizer was testifying in a civil fraud trial in which eight members of the union's Local 1733 (AFL-CIO) claim that he and "possibly others" embezzled and conspired to defraud the local of at least \$40,000 before his forced resignation in May, 1970.

Two civil suits had been pending over the funds since 1970, but U. S. Dist. Judge Robert M. McRae Jr. dismissed one before the trial got underway yesterday. In that suit, the plaintiffs had asked for a detailed accounting of more than \$96,000 which they claimed had been diverted by Epps and others to outside organizations.

James Cox, attorney for the plaintiffs, asked for the dismissal. He said a complete accounting would be impossible, since most of the union "records are unavailable, and some, I submit, have been hidden or destroyed by Mr. Epps."

In the second lawsuit, now on trial, the plaintiffs are asking for \$500,000 in actual and punitive damages from Epps and "possibly others."

Epps, now president of the American Tenants Union, had planned to represent himself at the trial, but, at the last minute, accepted the services of Don Hollingsworth and Lee Miller, attorneys with the Memphis and Shelby County Legal Services Association.

Hollingsworth asked McRae to continue the case due to his late entry, but the judge refused, referring to Epps' persistent efforts to delay the trial in the past.

In his questioning of Epps, Cox attempted to show that the union organizer disposed of union vouchers and canceled checks signed during his directorship. Cox claimed the supposed effort was intended to "cover up" diversions of funds to a contracting company owned by Epps' brothers, Robert and Henry, and to an air conditioning firm in which Epps held a personal financial interest.

When asked whether he ever ordered

union records removed from their headquarters Epps replied: "Without any other reference, I cannot say whether that is true or not."

When Cox persisted, Epps said he did order the records removed "because on several occasions the office we had at 280 Hernando had been broken into."

But, questioned further, he said he had learned that "certain members of the local union had been holding meetings . . . and I considered the meetings of the local members as a conspiracy to remove me from office as executive director." So, he testified, he asked the Rev. Malcolm Blackburn, a former staff representative for the union, "to get them (the records) from the office and maintain them for safekeeping."

Epps said he later asked Blackburn to "turn those records over to an international staff person (union representative)" and that he never saw them again.

Originally of Clarksdale, Miss., Epps said he was dispatched to Memphis by the AFSCME International union in January, 1968, to organize the local chapter.

As head of the local, he said he hired his brother-in-law, Theodis Barron, as bookkeeper. Epps said Barron had been a coach and "athletics teacher" in Clarksdale, and had no experience as a bookkeeper.

After the union was organized and its dues checkoff plan begun, he said his brothers moved to Memphis, where they set up the Afro-American Contractors, Inc. Cox claims Epps funneled thousands of dollars in union funds to the firm "for work that was never performed." Epps claimed the firm performed "a series of jobs," including repair work at the union headquarters and at Clayborn Temple.

Epps denied a personal interest in the firm, but Cox said the firm's charter lists him as one of its incorporators.

Epps said he was paid \$18,500 as head of the local union, but testified he has not filed a federal income tax return since 1967. "Had I filed, the government would have owed me money," he said. But, he testified, the Internal Revenue Service has filed a "\$25,000 or \$30,000" lien against him for tax deficiencies between 1968 and 1970.

He will resume his testimony when trial resumes at 9:30 this morning.

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