

# JOSEPH GIARRUSSO AGAIN NAMED AS GETTING BRIBE

## Elms Says Money Sent in Whiskey Bottle

By DON HUGHES  
and JOHN McMILLAN

The second local pinball executive in two days has testified under oath in Federal District Court here that former New Orleans Police Department Supt. Joseph I. Giarrusso accepted bribe money while in office to keep him from ordering raids on illegal pinball operations.

John J. Elms Jr., a partner in TAC Amusement Co., took the stand in Judge Herbert W. Christenberry's court Thursday afternoon and named Giarrusso — presently a candidate for councilman-at-large — as recipient of cash payoffs from pinball operators.

Wednesday, Lawrence Lagarde, also a partner in TAC, told the court that he sent—via a messenger—a total of \$30,000 to Giarrusso, brother of current Supt. Clarence B. Giarrusso.

Elms said Thursday that the money was sent to Joseph Giarrusso in a whiskey bottle and that he informed federal officials of these alleged payments only a week ago.

Lagarde, Elms' cousin, testified that the initial payoff arrangement was made between John Elms Sr. and Giarrusso, and Lagarde maintained the deal following death of the senior Elms by sending six installments of \$5,000 each to Giarrusso.

The messenger who allegedly delivered the money has not yet been identified in court.

Under questioning by the prosecution Thursday, John Elms Jr. said that he first learned of the protection payment scheme in December,

1968, some three months after his father's death Sept. 8, 1968. He said he was told of

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the plan by Lagarde, whom he calls "Uncle."

The testimony came in the eighth day of the government's prosecution of New Orleans Dist. Atty. Jim Garrison, and pinball company officials John Aruns Callery, a former partner in New Orleans Novelty Co., and Robert E. Nims, owner of REN Enterprises.

Seven others, including two police officers and five other pinball operators, were charged in the same federal indictment; but they have either pleaded guilty to conspiring to prevent enforcement of the state's anti-gambling laws or have had their cases severed.

Questioning Elms Thursday, Assistant U.S. Attorney Eric Giesleson asked if any bribe money that TAC paid went to any defendants in the case or to Pershing Gervais, the government informant who — along with Internal Revenue Service agents — made scores of tape recordings of conversations between himself and the 10 persons indicted.

Elms replied that none of the money was paid to them.

Giesleson then asked who received this bribe money.

In a quiet voice, his eyes glued on the courtroom floor, Elms answered, "Joseph Giarrusso."

Elms then went on to relate how TAC became involved in what was allegedly a second and separate bribery protection scheme as he testified that in mid-1970, Lagarde told him that more money was wanted, this time by Callery, but this request was denied.

A second and similar protection request from Callery was okayed and "between \$1,000 and \$1,500" was paid quarterly,

Elms said, with the understanding that that money was going to the police vice squad.

In late 1970, some 350 of TAC's gambling-type pinball machines were seized by federal agents in a crackdown here, and Elms said he purchased more machines from Louis Boasberg's New Orleans Novelty Sales Co., just to stay in business.

Shortly thereafter, Elms continued, Boasberg suggested to Elms that they go to see Gervais, because Boasberg felt Gervais would be a good source to intervene with Garrison.

A meeting between Elms, Boasberg and Gervais was held at the Fontainebleau Motor Hotel Inn Jan. 31, 1971, at which Elms said he made a commitment for TAC to pay \$1,000 every two months to Gervais who "indicated it was going to Mr. Garrison."

Wednesday, former NOPD Capt. Frederick J. Soule testified under questioning from defense counsel that he never gave a bribe to Garrison.

However, it never was implied during the trial that he did so; and no question to that effect was raised during questioning by government attorneys.

Likewise Thursday, Elms did not testify that he ever gave Garrison bribe money, but rather he just turned it over to Gervais with an understanding it was to go to Garrison.

A tape recording of that Jan. 31, 1971, meeting was introduced as evidence in court.

During that conversation, the three men discussed, among other collection and payoff matters, the possibility of having then-Gov. John J. McKeithen back off his opposition to the gambling-type pinball industry in Louisiana.

A portion of that taped conversation follows:

Gervais: "Is there a way that you can, you know what I'm trying to tell, is there a way that you could tell whether he's delivered the governor or not? If he delivers the governor?"

Boasberg: "Tell? That he just — that the governor doesn't bring it up. I'm encouraged by what the governor has been against — you know who's going to bring it up. It's (Aaron) Kohn and his friend in Baton Rouge, what's that, Steimel, Ed Steimel."

Elms: "But they gonna need, they gonna need (Jamar) Adcock in the governor's committee, or, three or four guys that you know, like Adcock was the head of the governor's, uh, head committee up there."

Boasberg: (State Sen. Adrian) Duplantier said he's got to push it. He's the head of the Mafia committee and he told me. I got account at his bank so have y'all and everything, but he said the only thing he'd promise me is that we would, we would get until January the first to get rid of the machines."

Gervais: "Next January?"  
Boasberg: "To next January to get rid of them, to sell them. We have to start selling them though, Pershing, we couldn't keep them all running."

Another mention was made later in the same conversation of Metropolitan New Orleans Crime Commission Director Kohn and of Steimel, head of the Public Affairs Research Council.

That exchange went as follows:

Boasberg: "I wish we could get the CIA to knock off two people, Kohn and Steimel."

Gervais: "Who? Steimel, I never heard, this is a new name on me you're coming up . . ."

Elms: "Oh, that . . . he's the head of PAR."

Boasberg: "He's—PAR, Public, uh, Public Affairs Research . . ."

Elms: "Council, yeah."

Boasberg: "And he . . ."

Elms: "He's the watchdog of the state. Kohn is the watchdog of the city, he's (Steimel) the watchdog of the state."

Gervais: "Is he, bub?"

Boasberg: "Yeah."

Gervais: "I never heard of him."

Boasberg: "Oh yeah, he's on TV and radio all the time."

Ems: "At least Kohn's got a little class to him, you know, when he, when he knocks you."

Of these allegations in court,

Giarrusso has denied publicly that he ever received any pinball payoffs or other bribes.

He has accepted an invitation to testify on the matter before a federal grand jury at 10 a.m. Sept. 13.

In another matter that arose during Ems' testimony Thursday:

Elms said he once asked Boasberg whether he thought the money being paid to Gervais was actually going to Garrison.

He said Boasberg replied that he "didn't really care as long as it got the job done."

Mayor Moon Landrieu's name was mentioned in one tape recorded conversation regarding a campaign poster on a building.

Questioned by Giselson, Elms said TAC Amusement had never paid any money to the mayor.

Louis Boasberg testified that he paid Pershing Gervais \$6,000 on three occasions in 1971 in order to get Garrison to intercede with former Gov. John J. McKeithen on behalf of the pinball industry.

"I wanted to get somebody to tell the governor it was a bad political move to kill pinballs," Boasberg testified.

He said Callery suggested he seek help from Gervais.

Boasberg said, among other things, he was concerned that McKeithen was going to levy a \$2,000 annual tax on pinball machines.

In a conversation between Boasberg and Gervais, Boasberg told him:

"I think the governor's changed his mind."

Gervais: "Well, yeah."

Boasberg: "He isn't pushing."

Gervais: "Yeah, but I think that you know, Garrison's going to talk to him."

Boasberg: "Yeah."

Then Gervais tells him, "His pitch to McKeithen is gonna be you cannot, I cannot . . . deliver New Orleans to you if you're gonna be remembered as the guy that raised the most hell about pinballs."

Gervais asked him whether there were any legislators who might also be of help, and Boasberg said.

"Mike O'Keefe, the papers jumped on him and everything else and he come to me — the

state's folding, he told me, he said . . . he said that little minority, they all think all those legislators they can't stand a little heat."

Boasberg said he was paying money to Gervais in an attempt to get pinballs legalized, in addition to keeping the high tax off of them.

On cross-examination Boasberg told of making a large number of political campaign contributions. U.S. District Judge Herbert Christenberry questioned him about these contributions, and Boasberg replied, "There hasn't been a candidate who has run for office in New Orleans who hasn't approached us for money, or his campaign manager."

Besides money Boasberg said he gave to Gervais, he also testified he paid Soule \$1,000 on two occasions in 1971 "to see what he could do about raids" on pinball machines by the police.

At one point Boasberg testified that he did not want Gervais calling him at his office because he felt his telephone was being tapped.

The judge asked whether he had his telephone checked.

"No, sir, but everybody in New Orleans thinks their phones are tapped."

"I don't think mine is," Judge Christenberry replied.

Under cross-examination by Merhige, one of Garrison's attorneys, and Virgil Wheeler, who represents Callery, Boasberg said that he gave Gervais \$2,000 June 29, 1971, because Harby Marks had received a call that 25 of their pinball machines were to be picked up. He said he was angered because he thought Gervais was trying to hold him up.

Boasberg said that conversation with Gervais was not recorded by the government.

Boasberg testified that he never paid Garrison any money. He said that he never met Garrison, and the only contact he ever had was that one time he sent Garrison a letter congratulating him on his book, "Heritage of Stone."

"I agreed with his thoughts," Boasberg testified, "he was against war."

U.S. Attorney Gerald J. Gallinghouse stood up and said, "I object to that, your

honor. We're all against war."

Boasberg also testified under cross examination by Louis LaCour, Nims' attorney, that Nims was not part of the payments he made to Soule and Gervais in 1971. "I never discussed it with Mr. Nims in any way, shape or form," he said. Boasberg said Nims went out of the pinball business in November of 1971.

And, other than suggesting he get in touch with Gervais, Boasberg said Callery had no part in the payoffs.

Boasberg said he pleaded guilty and agreed to become a government witness to save Marks. "I wanted to get Harby off. I wanted to get him severed," Boasberg said.

"I pleaded with Mr. Gallinghouse. I said you have to be a human being as well as a prosecutor. This (Marks) is the one man I know is innocent."

Marks, who works for Boasberg, admitted carrying money to Soule and Gervais at Boasberg's direction.

Referring again to his efforts to get the pinball industry legalized, Boasberg said he had drawn up a bill which would have permitted \$10 payoffs in either cash or merchandise. A license fee of \$1,000, \$500 to the city and \$500 to the state, was included as part of his proposed bill.

The trial resumes at 10 a.m. Friday.