

IRS MADE 'DEAL' FOR GERVAIS AND

9-7-73 5-I

By ALLAN KATZ
and LANNY THOMAS

When Pershing Gervais took the first steps to help build a bribery case against Dist. Atty. Jim Garrison and others he was under the pressure of an income tax investigation, a federal agent testified today.

Floyd R. Moore, an Internal Revenue Service agent said the IRS and Gervais reached an agreement in 1969. The Moore testimony came in the 12th day of the trial of Garrison and pinball executives John Arnus Gallery and Robert Nims in U.S. District Court. The three are charged with conspiring to obstruct justice by giving and taking bribes to protect pinball gambling.

Under cross examination by a Garrison attorney, Frederic Barnette of Boston, Moore said under the agreement Gervais filed amended income tax returns for 1966, 1967 and 1968, paying a total additional tax of \$8,777 with no penalty.

In return, Moore said, Gervais was to provide IRS with information useful in the government investigation.

THE TESTIMONY about the IRS-Gervais agreement came as the gov-

ernment neared the end of the presentation of its case.

There was a possibility the government would rest its case today without calling Gervais to the witness stand.

It is on a series of taped conversations between Gervais and various defendants in the case that the government has based its case. There had been some speculation earlier in the trial that prosecutors would put Gervais on the stand but they apparently have decided not to. At one point in the trial a defense attorney said he doubted either side would call Gervais because of his controversial past.

Ten persons were indicted in the case but only Garrison, Gallery and Nims were put on trial. Three defendants pleaded guilty and four were granted separate trials. All seven of

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the those who pleaded guilty or were severed have testified as government witnesses.

ONE OF THE taped conversations was played for the jury of nine men and three women today. It was made May 28, 1971 and the government contends that during that meeting Gervais gave Garrison \$1,000 in marked money.

On May 3, 1971, the government contends, Gervais received \$2,000 from

Harby Marks Jr., an employee of New Orleans Novelty Co., who was indicted in the case but granted a separate trial.

An IRS agent testified today that the money given to Gervais by Marks was replaced by the government with marked bills.

The agent, Joe Lanoux, said Gervais then passed \$1,000 of the money to then police Capt. Frederick A. Soule Sr. on May 4 and gave the other \$1,000 to Garrison on May 28.

Soule has pleaded guilty in the case.

THE MAY 28 Garrison-Gervais conversation was taped in a room at the Fontainebleau Motor Hotel, the government contends.

Shortly after Gervais enters the room he says, "I'm so long carrying this (profanely) thousand dollars it's driving me nuts. I'm scared to death I'm going to lose it."

Later Gervais tells Garrison that he has a little problem with Soule. Soule wants to up the ante.

"Leave well enough alone," Garrison says.

Gervais says he will handle the problem.

Gervais tells Garrison that Louis N. Boasberg, a pinball executive who has pleaded guilty, "is due again on the first of the month . . . you know, just

a few days. He's got to come back again."

At that point Garrison says, "He alone has sent me \$1,000."

Later in the conversation Garrison and Gervais discuss a pinball bill in the legislature. Garrison says, "Obviously, they're well under control . . ."

TWO TAPED conversations in which Gervais allegedly gave Garrison \$1,000 on two occasions were heard by the jury yesterday.

The government claims the money was payoffs from pinball operators to keep their gambling businesses thriving.

The tapes are the first evidence the prosecution has produced to link Garrison directly to bribes. Today will conclude the third week of the trial.

Internal Revenue Service agents testified yesterday they monitored and recorded Garrison's conversations through a microphone and radio transmitter concealed in Gervais' clothing. They said they listened in automobiles near Garrison's home at 4600 Owens Blvd.

The first conversation was recorded as Gervais visited the ailing Garrison in the upstairs bedroom of his home on Feb. 25, 1971. The second was taped March 9, 1971.

Garrison was solemn and appeared to listen intently as the tapes were played.

Landrieu Reasserts Innocence

Covering Material 'Over and Over' Irritating

By PAUL ATKINSON

Admitting he is irritated about going over the same material "over and over again," Mayor Moon Landrieu said Thursday he never had any knowledge or suspicion of pinball payoffs by TAC Amusement Co. officials, former clients.

Landrieu said at a weekly press conference in City Hall he had not practiced law actively for five years.

"Whatever relationship I had was a purely professional one through a law firm as one group of attorneys who did some work for that company," he said. "It was cleanly and clearly terminated as I said I would if elected mayor."

"The constant reference to it is simply the dredging up of that which has been argued in several mayoralty campaigns. Sometimes it seems I get irritated over it—and I do—because I am getting tired of having to go over that same material, when any suspicion . . . is simply because of a relationship that existed years ago."

TAC officials testifying in the federal court bribery trial have admitted making pinball payoffs.

TAC officials claimed in the trial they paid former Police Supt. Joseph I. Giarrusso \$30,000 in six payments spanning late 1968, 1969 and early 1970. Landrieu was asked his reaction to these charges, in view of the fact Giarrusso served

briefly as his police chief beginning in May 1970.

"I am not going to give you my reaction," he began, "or talk about these particular charges other than to say I have known Joseph Giarrusso as an outstanding police chief."

"He had great respect in this community. I knew him to be a man of integrity. He is entitled to his day in court, his opportunity to respond to these charges. It is impossible for me to sit here in judgment."

Landrieu continued, "It is easy for accusations to be made. A person in that posture finds it difficult to defend himself until such time as he is given that opportunity."

The mayor said he feels it is "extremely difficult" for a person in public life to have his name mentioned in a forum where he is not represented and where he himself does not have the right to cross examine the witnesses.

Landrieu said he has not received any campaign contributions from TAC since TAC officials testified in federal court.

He also said he knew of no instances in which money was paid state legislators by TAC or any other company.

The mayor at one point told of his relationship with TAC officials. "I know the gentlemen involved in that firm," he said, "and some of them I have great respect for and still do in spite of the fact they have been caught up in the system. I know it may be difficult for some people to understand."

He added, "I didn't know of

the illegal activity."

Landrieu said pinball machines have never been a problem for his administration because the federal government nearly wiped them out of the city as he took office.

On another matter, Landrieu was asked if he was pleased it appeared he would not have major opposition for the Nov. 10 primary. Qualifying closes Friday at 5 p.m.

"I didn't say I am not going to have opposition," he said cautiously. "I didn't suggest that."

"It may not be the opposition you hope I would have, but the opposition is there and others may qualify."

As for issues in the campaign, he said the opposition would have to make the issues.

As Gervais enters Garrison's bedroom on the evening of March 9, Garrison is heard asking Gervais "how much" is in an envelope Gervais is holding.

Gervais tells him "a thousand dollars" and Garrison exclaims: "Gee, that's great."

The tape recording of Gervais' Feb. 25 visit with Garrison indicates the district attorney snatches an envelope from Gervais after being told \$1,000 is inside.

Playing of the March 9 tape was halted by U.S. Dist. Judge Herbert W. Christenberry when it became apparent most of it was going to be Garrison expounding his theories on the Kennedy assassination.

EACH TAPE is about an hour in length. The government originally planned to play only those portions of the tapes relevant to its prosecution. But Garrison's attorneys asked to hear all the tapes and the government consented.