

Agents Say Marked Money Seized at Garrison Arrest

9-11-73

Testify Tracing Powder on D.A.'s Hands

By JOHN McMILLAN and DON HUGHES

The U.S. government neared the conclusion of its case against Dist. Atty Jim Garrison Monday with testimony of federal agents that they seized \$1,000 in marked money from a desk drawer in his home the day they arrested him.

Not only did the serial numbers of the bills match the money allegedly given to Garrison the night before as a pinball bribe payment, but traces of a fluorescent powder with which the bills were marked showed up on the district attorney's hands, agents said.

Only the details of showing several exhibits to the jury remain before the government rests its case.

Then the defendants will begin the presentation of their evidence with Garrison expected to take the stand in his own defense.

However, the trial will not resume in full until 10 a.m. Wednesday. The only action in

Cont in Sec. 1, Page 2, Col. 4

the case scheduled Tuesday will be the filing of several motions by defense attorneys. The jury will not be present.

In coming to the end of its case, the government put several special agents of the Internal Revenue Service on the stand to detail how they exchanged bribe money brought to undercover agent Pershing Gervais by a representative of the pinball industry for money with recorded serial numbers.

Agent Joel Lanoux said he recorded the serial numbers and later marked the bills with fluorescent powder. The money was given to Gervais who took it to Garrison's residence at 4600 Owens Blvd. about 8:30 p.m. on June 29, 1971.

MEETING TAPED

While Gervais was at Garrison's house, IRS agents recorded the conversation transmitted to them by a device attached to Gervais' body while they waited nearby in their vehicles.

Most of the conversation dealt with Garrison's health and a legal suit he said he was planning to file against a hospital.

The only indication of money being passed was a statement by Gervais: "Here, the thing for the first and . . ."

However, Gervais told investigators that Garrison had taken the envelope containing \$50 bills, 20 of them, and placed it in his desk drawer.

As Gervais left the Garrison residence on the way to his car, he said into the body microphone that had recorded what he apparently knew would be the last transaction before arrests were to be made. "So perish the enemies of this country."

The desk is where agent James L. McCormick testified he found the envelope the next day after prying the drawer open with a pry bar. He said his office and offered to send for it, but they declined to wait.

Also arrested June 30, 1971, with marked money in their possession were former police Capt. Frederick Soule Sr. and former police Sgt. Robert Frey.

ARRESTS MADE

On that same day the other two defendants in the case, John Aruns Callery, a former partner in New Orleans Novelty Co., and Robert E. Nims, the owner of REN Enterprises, were arrested, as were Louis Boasberg, the owner of New Orleans Novelty, Harby Marks Jr., an employe of Boasberg's, John Elmo Pierce, the owner of Pierce Amusement Co.; John Elms Jr. and Lawrence Lagarde Sr., partners in TAC Amusement Co. All except the defendants have pleaded guilty or have been granted a separate trial.

Soule and Frey were in possession of bribe money, they testified earlier, that Soule had received from Gervais the morning of June 30. He then gave half of it, \$500, to Frey.

Agent McCormick testified that when agents retrieved the \$1,000 in marked bills from Gar-

risson's desk drawer, he said "a friend of his had asked him to keep it for him. He said he'd have to get his permission before he could reveal his (the friend's) name."

Agent Irving Johnson testified that he examined Garrison, following the DA's arrest, under a fluorescent light and traces of the powder showed up on his hands.

Under cross-examination by Fred J. Barnett, an attorney for Garrison, Johnson said that Garrison told him at the time: "If I had counted the money I would make this room light up like a Christmas tree."

Agent Lanoux had said that in addition to the money, he had dusted the envelope with the tell-tale powder.

MONEY EXCHANGE

The June 29, 1971, meeting to exchange the money was set up when Garrison called Gervais on that day. Gervais suggested the meeting. The actual purpose of Garrison's call was to tell Gervais that he planned on bringing attorney Frank Klein back into the office. Gervais, who once worked as chief investigator for Garrison, had a falling out with Klein but remained a friend of Garrison's, and the DA wanted to make sure Gervais wouldn't be disturbed by Klein returning to the DA's office.

In the explanation of bringing Klein back into the office, Garrison said it was to counteract the effects of William Alford, one of his assistants, who was creating headlines by quitting the office because of what Alford said was interference with a grand jury investigation into pinball gambling.

Gervais wants to know who the former FBI agent is, and Garrison replies: "can't even remember his name but he's so far about the others in competence that it's taken for granted that he's going to move up to executive position."

Then Garrison tells Gervais that he is informing him about Klein because "I know your feelings about him and I don't want to lose your friendship."

Garrison had to delay his press conference scheduled for June 30, 1971, because he was arrested. Klein was at his house when the IRS agents arrived.

Besides the money Gervais allegedly gave Garrison June 29,

he handed the DA \$1,000 on three other occasions in 1971, according to agents and tape recorded conversations of the transfers. Two of the transfers were at the district attorney's home and one was in Room 118 at the Fontainebleau Motor Hotel where Garrison had taken a room.

The money was to pay Garrison to intercede with then-Gov. John J. McKeithen on behalf of pinball dealers in order to get the governor not to initiate legislation to drive them out of business. Tape recorded conversations identified as being between Garrison and Gervais discussed the details of the DA's approach to McKeithen. McKeithen has said that Garrison never contacted him concerning pinballs although Garrison told Gervais to guarantee his cooperation to the pinball dealers.

FINAL TAPE

Prior to the playing of the final Garrison-Gervais tape, Virgil Wheeler read a stipulation between him and the government attorneys agreeing that Gervais had made a number of telephone calls in an effort to reach his client, Callery.

Earlier, Wheeler was involved in a confrontation with U.S. Dist. Judge Herbert W. Christenberry.

Garrison tells Gervais: "I think that will take a lot of heat off of the situation, I think it will pull the rug out from under Alford."

Gervais: "Uh-huh."

Garrison: "And in fact the grand jury's investigating the office. Now, in other words, they got this . . . Alford's statement, they went off to the races, ste."

PRESS CONFERENCE

Garrison says he wants to have a "press conference in the morning with almost no notice since I don't give any" and announce that Klein is his new executive assistant. He says he wants tell the press the news

and answer no questions.

"And have Frank Klein come in and give a statement that he's proud to be able to return to an office which helped build and office which has maintained its honesty and integrity and so forth and so on," Garrison says, and adds: "I think this will pull the . . . rug out from under them."

Gervais: "Yeah, no question about it."

Garrison: "And, uh, they take my picture and they they take and then I say, gentlemen, that's the end of the press conference."

Also during the conversation, Garrison tells Gervais that his current top assistant, John Volz, is "very solid" and "very straight," but "he was a Treasury agent . . . and I been through the mill . . . and I did not want at the top of my staff a former Treasury agency and a former F.B.I. man."

Monday morning's session consisted of a lengthy, often technical cross-examination by Wheeler of Federal Bureau of Investigation agent Jerry W. Brents, which was highlighted by Judge Christenberry threatening to find Wheeler in contempt of court.

The threat came when Callery's attorney, Virgil Wheeler continued to argue a point even after the judge had called a recess.

Wheeler had been cross-examining Brents, who is also a certified public accountant, for 90 minutes on payments shown on the books of four firms to have been made to Callery from 1966 through June 30, 1971.

Brents had testified Friday under government questioning that Callery had received during that five and one-half years some \$440,034.21 from New Orleans Novelty Co., New Orleans Novelty Sales Co., Business Research Counselors Inc., of which Callery was president, and State Novelty Co., a Baton Rouge firm which handled gam-

bling-type pinball machines during that time period.

The prosecution had been trying to show that Callery maintained an active interest in the pinball industry until the time of his arrest, although he had sold his partnership in New Orleans Novelty in 1968.

Under questioning Monday by Wheeler, Brents said that his audit of the firms' letters and cancelled checks earlier this year at Gallinghouse's request showed that some of the money disbursed to Callery was designated as being loans, but there was nothing to indicate that Callery had repaid any money that may have been loaned to him.

Brents added that it is possible that some of the more than \$440,000 given Callery over that time could have been in the form of loans without having been identified as such on the ledger books or on the checks.

The FBI agent said he was not asked by the U. S. attorney's office to determine whether money paid to Callery by the four firms was loans or for what other purpose it was paid, and that he had made no effort to do so. He simply was requested to tabulate the amounts and give the dates of all payments to Callery, he added.

After the lengthy questioning session, Wheeler then asked that all of Brents' previous testimony be stricken from the record. However, after a short conference with Judge Christenberry, the attorney asked that his motion for deletion of Brents' testimony be deferred to a later date.