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EXTORTION DENIED IN BONDS DISPUTE

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Returning to Face Ward Charge—Kaskell

A New Orleans attorney who was accused Thursday by former Assistant District Attorney Charles R. Ward of attempted public extortion has denied the charges and said he will return to the city Friday to face the issue.

Ralph L. Kaskell Jr., associated with the law firm of Deutsch, Kerrigan and Stiles, told The Times-Picayune late Thursday afternoon that the allegation by Ward was "false and unfounded."

Kaskell, by telephone from Washington, said he would return to New Orleans Friday afternoon, and "shall appear before the grand jury to testify, waiving all immunities" if he is asked to do so.

His action stemmed from a complaint by Ward to the Orleans Parish Grand Jury asking it to investigate an alleged attempt to blackmail the DA's office into settling a claim against a bonding company.

\$629,000 CHARGE

Grand Jury foreman Fernand S. Lapeyre, following an informal session on the matter Thursday, refused to comment on what action the jury may take on Ward's complaint.

The DA's office has accused the Maryland National Insurance Co., a bail bonding firm, of failing to pay \$629,000 in

bond forfeitures due in Criminal District Court cases.

Ward, who resigned as an assistant DA Tuesday following a dispute with Garrison, said Kaskell's law firm tried to arrange a compromise in which only \$100,000 of the forfeitures would be paid.

Ward also announced his intention to oppose district attorney Jim Garrison in the November election.

In a letter delivered to jury foreman Lapeyre Thursday morning, Ward said Kaskell threatened to reveal depositions accusing Ward of accepting bribes if the compromise were not accepted.

Ward denied the bribery charges, and said the alleged attempt to extract a favorable settlement for Maryland National amounts to "blackmail" un-

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der the statute prohibiting extortion.

DECLINES COMMENT

Ward offered to waive all rights and immunities and appear before the jury.

Ward told Lapeyre that the grand jury is the proper body to investigate the extortion charge "since these allegations are made against a former law partner of the present district attorney, and because of the very close and personal rela-



RALPH L. KASKELL JR.
Terms charge "unfounded."

tionship of Mr. Eberhard Deutsch to Mr. Jim Garrison."

Deutsch, the principal partner in the law firm, would not comment on the matter.

Ward said that the alleged extortion attempt was made by Kaskell during a meeting with Assistant DA Shirley Wimberly, who has represented the DA's office in the claims for the forfeitures.

In a related development Thursday, Federal District Judge Lansing L. Mitchell issued an order restraining Garrison, Wimberly, and state officials from efforts to collect the bond forfeiture claims until a hearing is held at 10 a.m. Monday.

The grand jury terminated its regular session about 2:30 p.m. and returned four murder indictments to Criminal District Court Judge Thomas M. Brahey Jr., who is in charge of the jury during a six-month period.

NO OFFICIAL ACTION
Assistant DA William R. Al-

ford Jr. informed the judge that the jury would conduct an "informal" afternoon session later, but that there would be no returns, meaning no official action requiring the presence of the judge.

Jury Foreman Lapeyre later declined to comment on whether the jury would consider Ward's charge.

During the morning session, the jury excluded Alford and Assistant DA Numa Bertel for about one-half while it conferred with Judge Brahney.

Judge Brahney said he was advising the jury of its powers in general, and declined to say whether his appearance had anything to do with Ward.

The jury went back into session about 4:30 p. m. and Lapeyre said Ward was not scheduled to appear Thursday.

Wimberly, who said he has been making efforts to collect on forfeiture claims since January, cited the \$629,000 figure supposedly owed by Maryland National in a letter of May 21 to state Insurance Commissioner Dudley Guglielmo.

REJECTS OFFER

A representative of the law firm subsequently appeared in the DA's office with a check for \$100,000, with which to settle the claim, Ward said. Wimberly rejected the offer.

Kaskell met with Wimberly on June 6 and backed the demand for a settlement with the threat of revealing the alleged bribery charges, Ward said.

Maryland National is the former employer of William Hardy Davis, one of the persons who made bribery charges against Ward.

The money allegedly paid to Ward was to influence him in not pushing for bond forfeiture collections, according to the charges.

Wimberly has also notified Guglielmo that another \$115,275 in bond forfeitures will be due from Maryland National at the end of August, when a six-month waiting period expires.

SEPARATE ACCOUNTING

The insurance commissioner's office also received a separate accounting from Traffic Court Judge David MacHauer, in which an additional \$25,000 in bond forfeiture claims against the firm was revealed.

However, not all will be final judgments until the lapse of a six-month waiting period.

Guglielmo has scheduled a June 30 hearing on whether or

not to revoke the license of Maryland National.

Wimberly filed an affidavit with the insurance commissioner on Jan. 3, claiming that Maryland National owed more than \$250,000 at that time on the basis of an audit of Criminal Court minute books.

"Every method available under the law has been made to collect" the appearance bond forfeitures, said Wimberly, and added, "There is little hope that Maryland National Insurance Co. will honor the . . . obligations."

CASE CONTINUED

The firm was ordered to show cause why its certificate of authority should not be revoked at an insurance commission hearing on Feb. 14.

However, there followed a series of continuances, during which the compromise offer was made and rejected.

At one point, Wimberly reported that the firm has made payments totaling \$12,250 for 72 forfeiture judgments since an April 21 meeting in Baton Rouge.

Wimberly also reported that the DA's office was informed that the outstanding judgments resulted from fraudulent use of power of attorney stolen from Century Bonding Co. of Indianapolis, Ind., an agent for bail bond operations.

Wimberly, however, expressed doubts about such a defense, noting that some of the judgments date back to 1965.

"We do not feel, therefore, that this company should be permitted to evade its legal debts by a belated claim of ignorance of alleged embezzlement by one of its own agents," Wimberly said.

HELD FINAL

"And we are prepared to pursue collection efforts in the courts of whatever jurisdiction assets Maryland National are to be found," he added. "The judgments in our possessions, through the rendition date of Nov. 11, 1968, are final and unimpeachable in any court."

A check of records in both the insurance commissioner's office and the state treasurer's office revealed a long list of seizure notices of bonds put up by Maryland National and other companies in New Orleans that are still outstanding.

The New Orleans DA's office suffers by not following up on these seizures because it is the only DA's office in the state which can keep bond forfeitures

for its own use.

Each company must post a bond with the state treasurer's office. If an appearance bond is forfeited in court, the state may obtain a judgment against the defendant and the bonding company.

This involves a notice of seizure of the firm's assets with the treasurer.

Then the district attorney can follow up with a motion to obtain the funds.

In many cases, the first steps in seizing the company's assets have been taken, but there has been no follow-up.

DISMISSES SUIT

Some judgments in the Maryland National file date back to 1966. Four bonds are for \$7,500 each, and five are for \$5,000 each. Others are for smaller amounts.

In December, 1968, a Civil District Court judgment dismissed a Maryland National suit aimed at a restraining order against Garrison.

In January Wimberly took action against the firm, forwarding a list of names to the treasurer and inquiring about the status of efforts to foreclose on the company bonds.

He also moved against another firm, United Bonding Insurance Co. He forwarded a list of 35 judgments.

The treasurer reported that a \$10,000 surety bond had been seized after service of a motion to turn over the funds. This disposed of a number of cases, but the rest await further action.

A company whose license was revoked last year had \$100,000 in outstanding bond forfeitures according to record in the treasurer's office.

The United Benefit Fire Insurance Co., which is in receiv-

ership, is listed with about \$80,000 in forfeitures, including three bonds totaling \$35,000, all for the same person.

Maryland National Seeking Injunction

In federal district court Maryland National Insurance Co. has filed suit seeking an injunction prohibiting the seizure of any of its assets in the state and attacking the constitutionality of certain provisions of the state insurance laws.

The suit is against state insurance commissioner Dudley Guglielmo, of New Orleans; DA Jim Garrison, assistant DA Shirley C. Wimberly and Sher-

iff Bryan Clemmons of East Baton Rouge Parish.

Federal District Judge Lansing L. Mitchell signed a temporary restraining order blocking any seizure and set a hearing on the request for the injunction for Monday at 10 a.m.

The insurance company asks that a special three-judge court be convened to hear the matter of the constitutionality of the portions of the insurance laws relating to the forfeiture of bail bonds.

It is alleged that since 1964, Maryland has become the surety on bail bonds issued in Orleans Parish totaling several million dollars.

ALLEGEDLY STOLEN

They were issued physically by the Century Surety Underwriters, Inc., and Century Surety Underwriters of Indiana, Inc., acting as an independent contractor.

The suit claims that late in 1968, Maryland became concerned about what seemed to be a malfunctioning of their arrangement with Century and early in 1969, Maryland became aware that it had an exposure from judgments of bond forfeitures for several thousand dollars and that the district attorney's office was apparently claiming that the amount was \$750,000.

When that fact became known to Maryland, according to the suit, a quick investigation was made and it was discovered that several hundred thousand dollars of the forfeitures were based on powers of attorney which were stolen from the Century Office in Indianapolis, Ind.

It is claimed that under the arrangement, Maryland would execute powers of attorney in blank and they would be kept locked up by Century.

LOCAL USE CHARGED

Maryland allegedly learned early in 1969, that an official of Century had stolen several thousand dollars worth of the powers of attorney and sold them to general agents or sub-agents in New Orleans who knew that they had been stolen.

The stolen powers of attorney were then used by local agents for bail bonds, it is charged, but Maryland received no part of the money and did not know the bonds had been issued.

The stolen powers of attorney were used over a considerable period of time, as a result of which bond forfeitures were entered as judgments against Maryland in criminal district

court.

"On information and belief, the stolen powers of attorney were used for the issuance of bonds in the name of Maryland with the knowledge of at least one member of the district attorney's staff," it is charged.

The suit claims that the office of the DA knew or should have known that Maryland was being defrauded, and the DA's staff was guilty of negligence in allowing the forfeitures to arise without bringing them to the attention of the Maryland home office.

Many of the powers of attorney were illegal in form and not properly signed or executed, and as a result, a majority of the forfeitures against Maryland are void, it is alleged.

Maryland contends that since these things took place it has taken all steps necessary to prevent recurrences of such misdeeds, has canceled its arrangement with Century, and has paid over \$70,000 in forfeitures which have been determined to be valid.

The failure of the DA's office to notify Maryland of the true nature of the situation has caused Maryland to be damaged by hundreds of thousands of dollars and could have bankrupted the company, it is charged.

When efforts were made to negotiate a fair resolution of the problem so as to clear Maryland of liability, Wimberly forwarded to Baton Rouge writs to seize the \$70,000 on deposit with the insurance commissioner by Maryland.

Contents of Ward Letter to Jury

The following is the contents of the letter in which Charles R. Ward asked the Orleans Parish Grand Jury to investigate charges that an effort was made to blackmail the district attorney's office into settling a claim against a bonding company:
Dear Mr. Lapeyre:

Please consider this request for a grand jury investigation into what I believe is attempted extortion. It is my belief and considered legal opinion that an attempt has been made by Mr. Ralph Kaskell, of the law firm of Deutsch, Kerrigan and Stiles, to extort from the district attorney's office a favorable settlement for his client, Maryland Insurance Co., an in-

urance company doing business in New Orleans, insuring bail bonds. He has attempted to obtain a settlement of a claim for more than \$500,000 for the sum of \$100,000 by threatening to reveal an alleged act of public bribery allegedly involving me as chief assistant district attorney. These allegations are unquestionably false, and are known by Mr. Kaskell and Deutsch, Kerrigan and Stiles to be totally worthless as evidence in a court of law or anywhere else.

Public extortion has been defined as:

Extortion is the communication of threats to another with the intention thereby to obtain anything of value or any acquittance, advantage, or immunity of any description. The following kinds of threats shall be sufficient to constitute extortion:

(1) . . .
(2) A threat to accuse the individual threatened or any member of his family or any other person held dear to him of any crime;

(3) . . .
(4) A threat to expose any secret affecting the individual threatened or any member of his family or any other person held dear to him.

A brief summary of the facts known to me and which I am confident that testimony will show are set forth herein below:

Maryland Insurance Co. during the past several years of its operation in Louisiana operated through several agents. Acting through these agents Maryland Insurance Co. incurred certain liabilities to the state of Louisiana as a result of forfeitures of bonds for non-appearances of criminals in courts. This liability skyrocketed during 1968.

As a result of the tremendous increase in liability, demands for payment were made by the district attorney's office. Maryland Insurance Co. informed the district attorney's office that the entire liability could not be liquidated upon demand, and an installment payment plan was proposed by Maryland and ultimately accepted by the district attorney's office, which provided for periodic monthly payments to reduce the outstanding balance with the understanding that all current forfeitures would be paid immediately. Maryland Insur-

ance Co. did not live up to the agreement, and the district attorney's office seized all security deposits belonging to Maryland Insurance Co. in Louisiana.

The law firm of Deutsch, Kerrigan and Stiles was retained by Maryland Insurance Co. to defend them against this claim. Mr. Kaskell (Deutsch, Kerrigan and Stiles) assured the district attorney's office, who was represented by Mr. Shirley Wimberly, that the entire amount would be paid in full as soon as the entire liability could be ascertained. Subsequently, in the early part of 1969, Mr. Kaskell informed the district attorney's office that an employe of Maryland had stolen certain powers of attorney which were used in New Orleans to write bonds illegally. Mr. Kaskell proposed a compromise of the claim asserting the defense that agents of Maryland Insurance Co. were NOT authorized to write bonds. This offer of compromise was rejected.

The district attorney's office notified the commissioner of insurance of the outstanding liability and a hearing was held in the commissioner's office in Baton Rouge, April 21, 1969. At the hearing Maryland Insurance Co. was granted a 30-day grace period to liquidate their liability. On May 21 the district attorney's office notified the commissioner's office by letter that the claim was not settled. A copy of this letter was sent to Deutsch, Kerrigan and Stiles. Mr. Redfern subsequently appeared in the district attorney's office and tendered a check for \$100,000 accompanied by a letter which contained words to the effect that the compromise was offered to maintain good relations with the district attorney's office. This offer of compromise was also rejected.

Mr. Kaskell later made an appointment to meet Mr. Wimberly and suggested a meeting at a downtown bar. Mr. Wimberly declined and Mr. Kaskell then made an appointment to see Mr. Wimberly in the district attorney's office on June 6, 1969. When Mr. Kaskell appeared he refused to discuss business in the district attorney's office and suggested that he and Mr. Wimberly go to the Kopper Kitchen across the street. It was at the Kopper Kitchen that Mr. Kaskell said that he thought the district attorney's office should

compromise, otherwise it would be greatly embarrassed by evidence to be produced at the hearing and Kaskell then read to Wimberly portions of a deposition which purports to involve me, and again strongly urged that Wimberly accept \$100,000 as settlement in full. This offer was also rejected.

Mr. Wimberly promptly drafted a memorandum to Mr. Garrison informing him of the threats. In the memorandum Mr. Wimberly expressed the opinion that this was sheer "blackmail." When I finally was apprised of the affidavits Mr. Garrison also expressed the opinion that this was "blackmail."

I am confident that the above facts are readily provable by testimony from witnesses. Examination of the statute prohibiting extortion indicates that this type of action is prohibited and is extortion or "blackmail."

I feel that the grand jury is the appropriate investigative and accusatorial body since these allegations are made against a former partner of the present district attorney, and because of the very close and personal relationship of Mr. Eberhard Deutsch to Mr. Jim Garrison.

Since I am the subject of the threat, I request an opportunity to testify before the grand jury in this matter. I hereby waive all rights and immunities that I may be entitled to by virtue of the United States Constitution or the constitution of the state of Louisiana. I will sign a written waiver before I testify.

I will deeply appreciate your consideration of this request as promptly as possible.

Very Truly Yours,
Charles R. Ward.