

Gremillion Asked to Quit

(States-Item Bureau)
BATON ROUGE — Attorney General Jack P. F. Gremillion, admitted today he and a state representative borrowed \$55,000 from a New Orleans loan firm now in receivership and for which he made a favorable legal ruling as attorney general.

Gremillion said he saw nothing wrong with his transaction, which the States-Item brought to light yesterday.

"MY CONSCIENCE is perfectly clear," the attorney general said. "I have nothing to hide." (Gremillion said yesterday the transaction was none of the newspaper's business.)

The attorney general said he and state Rep. Richard Cheek of Baton Rouge borrowed the money from Louisiana Loan and Thrift Co. to buy an apartment complex in Baton Rouge.

Gremillion admitted last week he accepted a \$10,000 fee from the loan company two years ago, when it was being organized. He said at the time he had no dealings

since with LL&T, but acknowledged that he subsequently issued a ruling that LL&T should operate under state regulation rather than federal.

ON THE LOAN matter, Gremillion said "There was no conflict of interest at all. All I did was make a loan."

As to recent editorial suggestions that he should resign, Gremillion said:

"Ridiculous. I'm not about to resign. In fact, I'm going to work five times harder for the good of the people of this state."

In response to a question, he said it is possible the revelations came out because of his prosecutions in the labor-management dispute in the Baton Rouge area.

"WE HAVE BEEN harassed quite a bit," he said. "I presume there's a good foundation for that."

Gremillion said Cheek arranged for the financing for the apartment complex pur-

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chase. He said he is paying interest on the loan.

"We have made monthly payments on this loan since we borrowed the money," he said.

He added that he has loans with other banks in Baton Rouge. He added:

"It IS DIFFICULT for me to understand how a loan was 'revealed' when all purchases of property, mortgages, etc., are a matter of public record.

"In fact, the purchase of these apartments by Mr. Cheek and me was publicized in the newspapers last April when the act of sale was passed.

"There is no law which prohibits a man from making a bona fide loan from a lending institution. That is all Mr. Cheek and I have done."

THE \$55,000 loan was made a few weeks before LL&T went into receivership. It was for the purpose of buying a 145 by 220 foot lot containing the apartment complex. Cheek had confirmed yesterday that the transaction took place.

He added that he did not know that the Louisiana Loan and Thrift Co. wound up with the notes.

Cheek claimed that he handled the financing. "Gremillion didn't have anything to do with setting up the financing of it, not to my knowledge," he said.

WHEN THE STATES-Item reported that Gremillion had received the \$10,000 fee, he said he saw no conflict between his duty as an attorney general and serving as a private attorney for a company on which he later rendered an opinion.

In a brief telephone interview yesterday, Gremillion said: "This is my private

business. It's not the business of The Times-Picayune, Newhouse (Samuel I., owner of The Times-Picayune), or yours, or anybody else."

The \$55,000 was used to pay that much in cash to Robert L. Norton and Joseph B. Norton in purchasing the property for \$228,706.91 on a sale and assumption basis.

THE NORTONS STILL owed \$173,706.91 to the Standard Mortgage Corp., on an original \$180,000 loan.

The managing director of the Metropolitan Crime Commission called today for the resignation of state Attorney General Jack P. F. Gremillion.

Aaron Kohn, MCC director, speaking before a Jaycee luncheon, made the demand in the wake of disclosures that Gremillion accepted legal fees and obtained a loan from Louisiana Loan and Thrift Corp., a company which subsequently went into receivership.

"ANY PUBLIC OFFICIAL who uses a public trust solely for his own purposes, and does not fulfill the duties of his office, be-

trays his public and creates cynicism among his citizenry," Kohn said.

Kohn said he will push for an investigation of the matter by the state Code of Ethics Committee.

"I think he (Gremillion) ought to resign," Kohn said, "and I think there is an obligation for a full investigation by the ethics committee."

"WHERE ARE THE EXAMPLES to which our youngsters can give full faith and credence when the attorney general of our state, Jack Gremillion, as chief law

officer, tries to explain away, with his aspiration for dollars, the duplicity of his role as chief protector of the people and private legal adviser and beneficiary of the Louisiana Loan and Thrift Co., which as of this time has betrayed many of its small depositors?" Kohn asked, adding:

"Will popular indignation against the state's attorney general reassure our youngsters that such official acts are abhorrent to the public's expectations of the law? Or will widespread silence and indifference establish such misconduct as consistent with public values?"

THE STATES-ITEM reported yesterday that Gremillion and Baton Rouge Rep. Richard Cheek took out a \$55,000 loan from LL&T prior to the company's going into receivership. Last week it was reported Gremillion accepted a \$10,000 legal fee from the company for help in setting up its legal status.

Kohn said the Gremillion issue will be taken before a full meeting of the MCC Friday.

On a related topic, he criticized Orleans Parish Rep. Salvador Anzelmo for involvement in the LL&T controversy. Kohn stated that Anzelmo was the largest single stockholder in the corporation.