

NOT MOB CHIEF -- MARCELLO

Testifies Freely

By ALLAN KATZ and CHARLES ZEWÉ

Carlos Marcello today lost his latest bid to avoid going to prison at the same time he was telling an investigating committee he is "positively not" the leader of organized crime in Louisiana.

Marcello testified for 2½ hours before the legislative committee investigating organized crime and only once sought refuge in the Fifth Amendment, the federal right to avoid self-incriminating testimony. That refusal came on a question about his appearance at an alleged mafia meeting in New York in 1966.

He gave a terse "no, sir!" answer to a long series of questions about whether he knew or contributed money to the political campaigns of certain Louisiana officials.

MEANWHILE, THE FIFTH U.S. Circuit Court of Appeals turned down Marcello's latest appeal of his conviction and two-year jail sentence for assaulting an FBI agent. He now is scheduled to go to jail at 3 p. m. Thursday.

Cecil Burglass, Marcello counsel, said he would appeal the 5th Circuit decision to the U.S. Supreme Court before Thursday.

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governor in the 1963-64 campaign or the 1967-68 race. He said, "No, sir."

He further denied making any contributions in the races for lieutenant governor.

But asked if he contributed to candidates for sheriff of Jefferson Parish, he replied, "I can't recall."

ATTORNEYS FOR Marcello objected to the whole line of questioning as an invasion of his constitutional rights but he answered when committee chairman Adrian G. Duplantier insisted that he do so.

But when he was asked if he ever made any contributions to any political candidates, attorney Cecil Burglass objected strongly that because of Marcello's age, 60, he "could make an honest mistake" in answering and the committee did not make him reply.

Marcello denied ever knowing several state officials named in the Life article, including Ashton Mouton, John Levy and Emmett Batson.

Discussing the hearings, Burglass said they were "a bunch of petty nonsense."

After questioning Marcello at length, the committee dismissed him and went into a closed session.

At one point, in today's hearing, Marcello was asked if he were the head of the Mafia in Louisiana, as alleged in a Life magazine article which sparked the legislative probe.

"I actually don't know what you're talking about, sir. If you could explain to me what that means I might be able to answer the question," Marcello replied.

THE COMMITTEE'S attorney then asked, "Do you control most of the organized criminal activity in the state of Louisiana?"

"Positively not," Marcello replied.

He was then asked if he had associations with people involved in criminal activity.

"Not to my knowledge," he said.

Committee attorneys bore down on specific charges raised in the Life article that Marcello wields great influence in Louisiana government.

Marcello was asked specifically if he made any contributions to candidates for

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HE SAID HE never contacted anyone in the State Revenue Department about his tax problem but admitted his attorneys or accountants might have.

He said he knew Louisiana highway director Leon Gary but denied ever discussing with him the matter of a freeway running across his Jefferson Parish property.

Marcello also said he knew New Orleans budget analyst Louis Gomez but denied discussing a garbage disposal plan with him.

HE SAID HE was acquainted with Gov. John J. McKeithen, and gubernatorial aides Sammy Downs and Aubrey Young but he denied ever trying to influence them in any way.

Turning down Marcello's appeal to the Fifth Circuit was a three-judge panel composed of Circuit Judges John R. Brown, David W. Dyer and District Judge Edwin F. Hunter Jr. (Continued in column 1 in this page.)

They issued a brief ruling saying:

"Our examination of the record made on the hearing (before the sentencing judge in Houston) of the . . . motion for a new trial . . . does not reflect that on the hearing of merits the appellant will succeed in reversing the action of the district court.

"There is a need for finality. The time for finality is now."

Marcello still could seek a stay order from a U.S. Supreme Court justice. Otherwise, he must go to prison Thursday.

MARCELLO WAS the only witness before the committee this morning. He was sworn in by general counsel Gordon Kean of Baton Rouge.

Attorneys for the committee said Marcello was there in answer to a subpoena to appear. He contested the subpoena in federal court but, after a hearing last week, agreed to testify.

The room was filled with newsmen and committee members.

Marcello arrived at 9:20 a.m., accompanied by attorney Dean A. Andrews Jr. and Marcello's son, Joseph.

KEAN LED off the questioning by reading off a list of companies in which he said Marcello has interests. He asked the 60-year-old Marcello if his tax returns, which were subpoenaed by the committee but which he failed to produce, would show any return from the companies.

Kean said before he began the questioning he wanted to find out if Marcello's association with these businesses would have any influence on state and local governments.

Marcello was first asked if he had brought tax records for the years 1965 through 1969. Marcello huddled with attorney Cecil Burglass, then Burglass, speaking for Marcello, said:

"WE HAVE NO objection to giving the committee information relative to the sources of Mr. Marcello's income. We will object continually and consistently throughout this hearing, however, to any invasion or intrusion into his private affairs, such as amounts and other matters which have no pertinency or relevancy to this particular hearing.

"As far as the sources of income are concerned, if that is the purpose for which you seek the subpoena, then we will give you that information."

Burglass told Kean the committee could get information on Marcello's income from state tax records.

"IF MR. AGERTON and the state revenue department want these records," Burglass said, that's fine. "But if their purpose is to gain information relative to the source of Mr. Marcello's income other than amounts, we must decline to give it to them."

Kean then began reading a list of companies with which Marcello is supposedly connected.

Kean asked Marcello if he had interests in the Bayou Verret Land Company.

"I guess so," Marcello answered.

Kean asked if he owned stock in Bayou Verret Land Company and Marcello said, "Yes, I do."

KEAN ASKED for a list of stockholders in the corporation, but Burglass intervened and said that was not relevant to the questions before the committee.

Kean then asked Marcello if he has any interest in Churchill Farms, Inc.

"Yes I do own stock in Churchill Farms," Marcello answered.

Kean asked if he has derived any income from the farm and Marcello answered, "I wouldn't know about that."

KEAN ASKED if he derived money from the Town and Country motel and Marcello replied, "I wouldn't know about that either."

He also denied owning stock in the motel but said he was

part of a partnership which ran the motel prior to 1965.

Marcello said the partnership was dissolved and the organization was transferred to a corporation in 1964.

Kean asked if he had interest in or derived income from motels or hotels of Louisiana, Inc., Marcello replied, "Not that I am aware of."

HE WAS ASKED if he owned stock in the Town and Country Motel of Bossier City and Marcello said he did own stock before 1965, but not after.

He was also asked if he owned stock in LeBaron Corporation between 1965 and 1969 and Marcello answered he did not, but that he had received revenue from the corporation prior to 1965.

The committee then got into a discussion about the Pelican Tomato Company in Metairie,

with which Marcello supposedly is connected.

Marcello said he had no ownership and no stock in the company but did act as a salesman for the company during the four years in question.

"I HANDLED certain accounts and gave them some business advice," Marcello said.

Kean asked what types of accounts they were and Marcello replied: "They were grocery stores and people who just buy tomatoes."

He was asked if he owned stock in Jefferson Music Co., and he denied it but said he did own stock and got income from the company prior to 1965.

Asked the same question about Estevie Motel, he answered in the same way, saying he gave up his interest in the company after 1965.

KEAN ALSO asked if he had interests in the C. B. M. Corp. between 1965 and 1969 and he said he did but that he got no income from the corporation.

"I think we lost money on that one," he said.

Kean asked if he had interest in the Elmwood Plantation Corp. and Marcello said he had no interest in the firm at any time.

He was then asked if he owned or had interest in the Sapphire Land Co., Inc., and Marcello answered that he did, adding:

"MR. KEAN, that's an estate. All the kids in the family have shares in the corporation. That's my Daddy's property and that's an estate. We have nine corporations holding land under the estate and they are all identified by different jewel-like names."

Asked if he got income off the land and he answered that since it was held by a corporation, income from the land was paid to the corporation and reported on taxes by it.

Marcello was asked if he received dividends from his stock ownership in the corporation and he said he did not.

Asked if he owned stock in the Desta Mortgage Co., Marcello replied: "I never heard of it."

HE ALSO denied owning interest in four other corporations, including Riverside Drive Co., Inc., Southern Sightseeing Tours, The Moses Corporation and L a S t r a d a Inn, Inc., owners of the Rowntowner Motor Inn on Tulane

avenue. The committee attorney asked Marcello if he had other sources of income aside from the ones they questioned him about and, after a conference with his attorneys, Marcello said he would be glad to allow his accountants to tell the committee from where his income came during the four years in question.

"I could not answer that right now, because I have an accountant who handles those matters, but I'd be glad at any time to get you whatever you want from the state department of revenue or from my accountant and you can go through the records from

1960 all the way through to this year," he added.

MARCELLO was asked what types of businesses he derived income from and he answered that he mostly has been involved in investment deals.

"Since 1965 I've mostly been involved in land deals and maybe a building or two and that's all. Most of them have been real estate investments," he said.

Kean asked Marcello if he was approached by the Lafourche Parish Drainage District or the Louisiana Department of Public Works to get his permission or agreement to have a levee built on Churchill Farms.

MARCELLO, saying he would try to explain in his own words, stated:

"Folse Roy is the vice president of Churchill Farms. He and my attorney, Philip Smith, handled those deals but they always consulted with me.

"In 1960 or 1961, they had a storm that flooded Westwego. The Jefferson Council passed a resolution and they and Mr. Roy and Mr. Smith got together to get the Lafourche Drainage District to put in a levee.

"They came to me and wanted to know if I would give them a servitude. First, they came up with a requirement for 250 acres and I said fine. Then they said 500 acres, so we gave them a servitude. We didn't sell it to them. Then they came back for 50 more acres.

"THEY SAID they needed servitudes and right of ways from the Southern Railroad and other property owners.

"The levee wasn't actually put on Churchill Farms like Life Magazine said.

"We have pictures to show that the storm flooded Westwego."

Marcello said the Jefferson Council asked for his help and he gave it but couldn't recall all the details because "I don't know how these things work myself."

"BUT WE didn't sell it to them—we gave it to them."

Under questioning by Kean, Marcello said that in 1960 an architect named Claude Hooten was retained to do sketches for possible future development of Churchill Farms.

Marcello said he often had architects sketch possible development of the property, adding, "My office is full of them."

Kean asked if Hooten hadn't included a drainage ditch in his sketch, such as the one that eventually was dug.

MARCELLO said he didn't recall and added that he does not believe the sketch was presented to the state Department of Public Works in order to get the ditch dug.

"I wouldn't know," Marcello said. "I have had no contact with the Department of Public Works. I've never been in their building. I wouldn't know where it is at today."

Asked about a suit allegedly filed by him to prohibit the Lafourche Drainage District from proceeding with the controversial levee, Marcello replied, "I don't know of that."

Kean then asked about the alleged \$500,000 payment to Marcello for the right-of-way to build the levee on his property.

ASKED IF he received such a payment, Marcello replied, "Absolutely not."

Asked if he received such a sum from the state of Louisiana, he again replied, "Absolutely not."

He also said "absolutely not" when asked if he received \$500,000 from the Lafourche Levee District, the Department of Public Works or if such a payment has been made to the Bayou Verret company.

Marcello also said he didn't know why Life magazine made the allegation about the \$500,000 payment.

KEAN ASKED about a road

on Churchill Farms property that reportedly is maintained by Jefferson Parish.

Marcello replied, "It's not exactly on Churchill Farms. I'd actually on Southern railroad land."

Marcello said he didn't know if the land is on public property, but he believes the parish has been maintaining it for some 50 years.

Then he said the agreement to maintain the road came after Jefferson Parish dug a drainage canal on his property as a result of an inadvertent error.

HE SAID his attorneys filed a suit, which was dropped when the parish agreed to maintain the road as compensation for having used some of his land for the drainage canal.

Neither the committee council nor Marcello clarified the relationship of the drainage canal suit to Marcello's denial that he owns the land.

Marcello said he was represented in the matter by attorneys Philip Smith and Warren Simon.

MARCELLO added Smith at that time was employed by Churchill Farms and was not working as Jefferson Parish attorney.

Kean then went back to Marcello's holdings in corporations and businesses and asked if Marcello was associated with the Holiday Inns, Inc., in the period from 1965 to 1969.

Marcello replied, "No sir."

Then, in reply to a question, he said prior to 1965, he had an interest in Holiday Inns, Inc., and received an income from them.

KEAN SAID he had meant to ask earlier if Marcello received some sum other than \$500,000 for his part in the levee project cited by Life magazine. Marcello answered, "absolutely not."

Marcello added that neither Churchill Farms nor Bayou Verret, Inc., received any sum from any source in concession for the levee right of way.

Kean asked about a proposal to extend the proposed Dixie Freeway interstate highway across Churchill Farms.

Marcello replied, "All I know about that is what I read in the newspapers."

KEAN ASKED if anyone in Marcello's behalf made a pro-

posal to the Regional Planning Commission about the Dixie Freeway. Marcello replied, "Absolutely not. At least, not that I know of."

Marcello also said he did not know of any inclusion of a major roadway across Churchill Farms in the sketches done for him by Hooten.

In response to a question, Marcello said he knows Leon Gary, state director of highways, but has never discussed the Dixie Freeway with Gary.

KEAN ASKED if Marcello ever offered the use of his land to the Dome Stadium Commission.

Marcello said, "Yes, off hand I couldn't say who made the offer. It could have been my planner or Mr. Roy. We wanted to donate a couple of hundred acres."

Kean asked if Marcello knew Louis Gomez, a budgetary analyst employed by the city of New Orleans.

Marcello said, "I know a lot of Gomezs and a lot of Louis Gomezs. Could you be more specific?"

AFTER KEAN specified the Louis Gomez he had reference to, Marcello replied he did know Gomez.

Kean asked if Gomez had ever discussed a garbage disposal proposal for Orleans and Jefferson Parish with Marcello.

Marcello replied, "No. We talk all the time about real estate and other things."

When Kean pressed him about whether he might have discussed garbage disposal with Gomez, Marcello replied, "I don't recall. I have a lot of people come to my office to see me."

"THEY TALK to me about business all week long. Sometimes I remember what part of the business they're talking about. If you tell me specifically, I might remember."

Kean then moved on to Marcello's relationship to Mario Marino, who previously has been mentioned before the committee as Leon Gary's contact for arranging trips to Las Vegas for legislators.

Asked if he knew Marino, Marcello replied after a conference with his attorneys, "Yes, sir. Oh, I've known him 22 or 25 years." Marcello said Marino worked for him in Jefferson Parish for about four years before Marino went to Las Vegas.

MARCELLO said he is not

in business with Marino and has no other relationships with Marino that he could cite.

Marcello also said he does not know Frank "Tickie" Saia.

Kean then got into the matter of Marcello's political contributions.

When Kean began probing, Dean Andrews objected and said his client would exert the privilege of the preferred rights doctrine, which protects the individual under the Louisiana and U.S. Constitutions.

SEN. ADRIAN Duplantier, chairman of the committee, ruled that Marcello had to answer the question.

Andrews objected after each successive question about contributions and Duplantier each time ruled he had to answer.

Kean asked if Marcello made any contributions to candidates for governor in the 1963-64 campaign. Marcello replied, "No, sir."

Kean asked about contributions in 1963-64 to candidates for other state offices such as lieutenant governor. Marcello replied, "No, sir."

THEN KEAN asked about contributions for parish offices, such as sheriff of Jefferson Parish. Marcello replied, "I can't recall."

Kean asked if Marcello had made any contributions to governor candidates in the 1967-68 campaign.

"Absolutely not," Marcello answered.

Kean then asked if Marcello made any contributions to candidates for other state offices after the 1963-64 or 1967-68 campaigns.

"No, sir," Marcello answered.

KEAN ASKED if any company connected with Marcello made any contributions to political candidates in 1963-64. Marcello answered, "No, sir, I can't recall."

Kean asked the same question about 1967-68 and Marcello replied, "I can't recall."

Kean asked if any company associated with Marcello made political contributions after the 1964 or 1968 elections.

Marcello replied, "Not to my knowledge."

KEAN ASKED if Marcello made any contributions at all.

Marcello's attorney, Burglass, objected, saying that "A man could make an honest mistake" in trying to answer

a broad question of that kind.

Burglass said that Marcello is 60 years old, apparently indicating that over such a long span an individual might have made a contribution he had since forgotten.

Marcello declined to answer the question on advice of counsel.

KEAN ASKED if Marcello ever had tried to influence anyone in the Department of Revenue or, had ever received any special favors from the Department of Revenue. To both questions Marcello replied, "Absolutely not."

Kean asked if Marcello had ever tried to illegally influence anyone in the Department of Revenue or tried to influence the appointment of anyone in that department.

Marcello replied, "Absolutely not."

Kean asked if Marcello knows Ashton Mouton, former director of the Department of Revenue, or former department employes John Levy or Emmett Batson.

TO EACH name Marcello answered "No, sir."

Kean asked if Marcello had ever contacted anyone in the Department of Revenue, Marcello replied, "No, sir."

Marcello said it was possible that his attorneys or accountants may have contacted someone in the department of revenue.

Marcello also said that he never has tried to influence or bribe any law enforcement officer.

CONTINUING his questioning of Marcello, Kean asked if Marcello knows C. H. Sammy Downs, a legal assistant to Gov. McKeithen.

Marcello replied that he

has known Downs for about 20 years but that he has not had business dealings with him.

"Has Mr. Downs represented you in any matters legal or otherwise during the period which you have known him," Kean asked.

"Absolutely not," Marcello replied.

MARCELLO was asked if he was the head of the Mafia in Louisiana as alleged in the Life article.

"I actually don't know what you're talking about sir. If you could explain to me what that means I might be able to answer the question."

Kean asked if he had ever heard the term Mafia used.

"I've heard it and read it millions of times on the radio and in magazines," he replied.

"**DO YOU** control most of the organized criminal activity in the state of Louisiana," Kean then asked.

"Positively not," Marcello said.

He was then asked if he had associations with people involved in criminal activity in Louisiana.

"Not to my knowledge," he said.

HE WAS asked if he approached the Louisiana Revenue Department on behalf of anyone else and replied, "Absolutely not."

Marcello said in later questioning that Mario Marino, a figure in the April 10 article who reportedly arranged gambling trips to Las Vegas for state legislators, had worked for him at one time as a waiter in the now defunct Beverly Club in Metairie.

Kean asked him if he had any income from gambling activity during the four year period from 1965-69 and Marcello replied that he did not but that he did get income from gaming activities prior to that time.

HE WAS ASKED if he attended a meeting at the La-Stella Restaurant in Queens, New York in 1966 but Marcello attorney Cecil Burglass interrupted and said the question was "out of the purview of the committee."

"This would open the door to many other questions which do not relate to the purpose of this committee," Burglass said, "and I'm not going to allow him to answer that question."

It was at this point where Marcello invoked the Fifth Amendment and refused to answer the question.

HE WAS asked if he knew

Frank Caraci, a gambling figure and Marcello replied that he did know Caracci but that he did not have any business dealings with him.

Kean then turned his questioning to whether Marcello knew Aubrey Young, a former aide to Gov. McKeithen accused of making calls to Marcello from a phone in the governor's capitol office.

"Yes I do know Mr. Young but I can't recall his calls to me."

Marcello said he did not recall making calls to Young at phones in the governor's office.

"**I'VE TALKED** to Mr. Young many times," he said, "but I couldn't tell you the number."

Marcello said he did not recall the subject matter in the phone calls.

State Sen. Claude Duvall took over the questioning and asked Marcello if he knows McKeithen or made contributions to campaign funds for candidates in the 1959-60 gubernatorial race.

"Did you make any contributions to any of the candidates," Duvall asked.

"Not as I can recall," he answered.

"**DO YOU KNOW** Gov. McKeithen personally," Duvall then asked.

"Yes, I've met him. I can't recall the exact place; it could have been Grand Isle, Baton Rouge or here in New Orleans. But I believe it was just before he became governor. It was not a meeting but a gathering. I was probably introduced or introduced myself, but I just don't remember."

"Have you ever discussed any business with him (McKeithen) state or otherwise," Duvall questioned.

"Absolutely not," Marcello answered.

MARCELLO was asked what he thought about allegations in the Life article that he controls state government.

"The only comment I can make about that," he said, "is that it's absolutely a lie."

The lone wry moment of the hearing came when attorney Kean asked Marcello if he received preferential treatment in his property tax assessments in Jefferson Parish.

"Did you get any favored treatment?" he was asked.

"Yes," he replied, "they raised my assessment when there's other land right around me which is not taxed what I am."

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CARLOS MARCELLO, left, testifies at this morning's session of the state legislative committee on organized crime. Others in photo are, from Marcello's left, attorneys: CECIL BURGGLASS and

DEAN ANDREWS, REP. LONNIE AULDS, SEN. LEWIS W. EATON JR., GEORGE KEAN, committee counsel, and SEN. ADRIAN G. DUPLANTIER, committee chairman.

—States-Item photo.

