

Parade of State Officials Denies Chandler Claims

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States-Item Bureau

BATON ROUGE — State officials today one by one took the witness stand before the Legislative Mafia Investigating Committee to deny wide-ranging allegations of corruption and mismanagement by Life magazine reporter David Chandler.

Public Works Director C. H. "Sammy" Downs, close political ally of Gov. John J. McKeithen, led off the parade of witnesses denying that he was a liaison between former Gov. Earl Long and rackets figure Carlos Marcello.

He was followed by Attorney General Jack P. F. Gremillion, who called Chandler a "pathological liar," and Thomas Leigh, Mineral Board chairman, who termed untrue charges that mismanagement and malpractices are costing the state \$100 million a year.

ALSO WAITING to testify were state Adjutant General David Wade, former public safety director; and Vernon K. Fletcher Jr., believed to be the source of information on a Houston gambling raid used by Life magazine in its April story on Mafia influence on state government.

Gremillion told the committee he was there to contradict "a pathological liar — namely Chandler."

He labeled as false a charge that Gremillion had profited by being assigned oil leases in exchange for excusing penalties against oil companies. He said there was no statutory authority for him to excuse oil lease penalties.

Further, the attorney general said that he did not own or receive royalties from any oil leases.

CHANDLER HAD charged that a check of minutes of the board during the administration of Gov. Jimmie Davis reflected a loss of revenue between the Mineral Board and the state Treasury and that penalties assessed against oil companies had been excused in exchange for later assignments to Gremillion.

Chandler also had claimed that oil men had informed him that the state now was losing up to \$100 million a year.

Leigh said he had the records of the

board for the Davis years checked and could find no missing \$28 million as Chandler reported. He also said the records did not reflect any assignments of leases to Gremillion.

He backed up Gremillion's contention that the attorney general could not waive any penalties, adding that the

only penalty would be revocation of the lease.

HE SAID THAT Chandler's statement about the \$100 million was vague in reference to hot oil and cross drilling and in the absence of any other explanation he could not "take this charge seriously."

He also advised the committee that members of the Mineral Board who hold state leases have recused themselves from acting on matters involv-

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ing them. However, he was advised that the ethics law has been changed to require board members to divest themselves of such interests or resign their positions.

Downs, in his testimony, acknowledged that he received political contributions from an Alexandria banker and said he opposed issuance of new bank charters for Rapides Parish because of a friendship with the banker.

THE ISSUE over bank charters for Rapides Parish was raised by Chandler in his testimony last week before the committee.

Chandler had testified that he and other members of the Life Magazine investigative team were informed by Gov. McKeithen in 1967 that Downs was the liaison between Gov. Long and Marcello.

Gov. McKeithen appeared last week to deny the statement.

Downs said today the charge was false. He said he had only known Marcello 10 or 12 years and had only seen him three or four times during the Long administration of 1956-60.

HE ALSO denied using his influence to get a member of the Lafourche Levee Board to vote in favor of a seaway project in 1957 that ostensibly would have aided Churchill Farms, now owned by Marcello.

Downs said the property was not acquired by Marcello until after the seaway project issue and further denied that he contravened the wishes of Gov. Long for the board member, Ben Rome of Vacherie, to vote against it.

Chandler had testified that he had been told by Rome that Downs instructed him to vote for the projects even though Gov. Long earlier had told him to oppose it.

CHANDLER ALSO had referred to a state police report by an investigator named Ray Beck who was looking into the phone link between Marcello and the State Capitol when the probe was reopened after it had once been terminated. The Beck report, according to Chandler, quoted Marcello as describing Downs as a good friend.

Downs told the committee he was unaware of what Marcello may have said because he had not seen the report. He said Beck had interviewed him about the phone issue.

He also told the committee that the phone, which was in a locked box in the speaker's office and controlled by his secretary, now his wife, had been placed there at the suggestion of a

telephone company official. He said the suggestion was because the phone could have been used at night by unauthorized persons.

DOWNS SAID he had told Chandler when he was interviewed by the writer about the "liaison" charge that it was "a damn lie."

"This committee can investigate until hell freezes over and is not going to find any evidence that I was the liaison man between Carlos Marcello and Gov. Earl Long," Downs said.

On the bank charter issue, Downs said there were two charters—one in 1965 and one in 1967—that were involved.

Chandler had testified that officials of two banks in Alexandria had contributed a total of \$50,000 to Gov. McKeithen to keep bank charters out of Rapides Parish.

THE \$25,000 contribution from the Guaranty Bank in Alexandria already has been acknowledged but Gov. McKeithen said it had nothing to do with bank charters.

Today, Downs said he was given a \$2,500 contribution by Jack Beasley, former board chairman of Guaranty, in 1965 rather than a payment for services as attorney as an audit report shows.

He said he could not recall a \$2,000 payment given to him by the bank in 1966.

Political contributions by banks is illegal and the Beasleys and the chairman of the Guaranty Bank was convicted in federal court on the charge.

M'KEITHEN HAS not acknowledged that he received a \$25,000 contribution from the Bolton brothers, operators of the Rapides bank.

Downs told the committee he was contacted about the second bank charter proposal in 1967 by a man named Lewis Sleith, former district attorney in Caldwell Parish. Another group was attempting to set up a bank in Pineville.

He said that he advised Sleith that it probably could not be done. Chandler testified that Sleith had informed others in the venture that it could be done if Downs were retained for a \$10,000 fee.

DOWNS SAID he never heard of such a fee and at that time it would have made no difference because he was not employed by the state in any official capacity.

Downs did work for the governor in an unpaid capacity and actually occupied office space in the Capitol and utilized the services of state employes.
