

U.S. Claims Gremillion Knowingly Lied to Jury

By KERMIT TARLETON

The government charged today that Louisiana Atty. Gen. Jack P. F. Gremillion "knowingly and intentionally testified falsely" before the federal grand jury probing the bankrupt Louisiana Loan & Thrift Corp. in 1969.

U.S. Atty. Gerald J. Gallinghouse opened the trial before a 12-member jury and two alternates in the court of U.S. district Judge Fred J. Cassibry. He said the government will prove that despite Gremillion's claims he had no economic interest in the firm, the attorney general was in fact a stockholder and received at least one dividend payment.

GALLINGHOUSE also said the government would show that despite Gremillion's testimony to the grand

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\$1,000 from a firm owned and controlled by the LL&T interests.

IN THE OPENING DEFENSE statement, attorney F. Irvin Dymond told the jury it would be a "very unusual trial, in that 90 per cent of the defense's case will come from the lips of government witnesses."

Dymond said there is no way Mrs. Deagan can connect the receipt signed by Gremillion's wife and the shares allegedly sent to Gremillion. He said she testified previously before a grand jury that the stock was never delivered.

In addition, the defense counsel said, Gallinghouse neglected to say that the checks for \$10,000 were given to Gremillion for legal services as an attorney. Dymond said such payments are completely legal.

Dymond told the jury that Mrs. Deagan would testify that the stockholder list of LL&T was "totally unreliable." He said six or seven persons whose names appear on the list have never owned stock and never even knew they were listed.

The defense attorney asserted that Mrs. Deagan will say that it is possible to be listed as a stockholder and not even know about it.

He called the stockholder list a "figment of the imagination." The defense will prove, he said, that Gremillion received no stock for services rendered nor did he pay cash for any, which is the only legal way stock can be acquired in Louisiana.

Gremillion had no "motive" to violate

jury, he did in fact sign a proxy in favor of former LL&T board chairman Ernest A. Bartlett for a 1967 shareholder's meeting.

Gremillion, who with Bartlett and State Rep. Salvador Anzelmo were acquitted last May of fraud and conspiracy in the LL&T case, is accused in a five-count indictment charging perjury before the grand jury on Jan. 21, 1969.

Gallinghouse said the government will show that Gremillion owned 8,000 shares of Class A stock and 2,000 shares of Class B (voting stock) in LL&T.

He said that Mrs. George Deagan, then the secretary of the firm, will testify that she sent these certificates to the Gremillion home in Baton Rouge and the prosecution will produce a re-

ceipt for them signed by Mrs. Gremillion.

THE U.S. attorney said the LL&T minute book concerning a board meeting of the firm at which Bartlett represented Gremillion under a written proxy also would be introduced.

He said the government will show that a \$700 check marked "LL&T dividend No. 1" and made out in the name of New Orleans attorney William A. Glennon was endorsed over to Gremillion and deposited in the attorney general's personal banking account in Baton Rouge.

The prosecutor said the government will also show, through Mrs. Deagan, that Gremillion had returned a signed proxy to Bartlett through the mail.

Gallinghouse also said the government will show that Gremillion received two checks from LL&T in 1966 totaling \$10,000 and a check in 1967 for

the law, said Dymond.

The first witness was former U.S. attorney Louis C. LaCour, who said the federal grand jury in 1968 and early 1969 was looking into possible securities violations and mail fraud in connection with LL&T.

He said that in January, 1969, Gremillion came to his office and asked permission to appear voluntarily before the grand jury.

LaCour said that since the government had come into possession of certain documents he suggested to Gremillion that the attorney general might be a principal in the investigation and he suggested that Gremillion secure legal advice.

LaCour said Gremillion insisted on appearing and was allowed to do so.

Since LL&T collapsed in 1968, investors have received some 50 per cent of their lost investments.

Members of the jury are:

Joshua Dumas Jr., Vacherie; Mrs. Rosetta P. Maryland, Houma; George L. Hymel, Luling; Mrs. Lula Mae Haughton, 1709 Esther, Harvey; Mrs. Nellie P. Collins, 2 Malbrough Gate; Elmo B. Ordone, Lacombe; Miss Jerilyn M. Boffone, 20 Gretna Blvd., Gretna; Paul Tillman, 1832 Louisiana Ave.; Mrs. Sylvia M. Johnson, 1960 Treasure; Mrs. Alice LeBlanc Leonard, Houma; William H. Jenkins, 801 Hidalgo; and Troy L. Duplessis, Gonzales.

Alternates are A. J. Caruso, 750 Phosphor, Metairie, and Mrs. Lemuel M. Talley, Slidell.

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