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Marcello Testifies in Tax Court

Carlos Marcello today testified before a U.S. Tax Court commissioner about his connection with four motel corporations which are alleged by the Internal Revenue Service to have tax deficiencies of some \$750,000.

In addition, some \$800,000 plus interest is alleged to be deficient from individuals of the Marcello family.

The Jefferson Parish rackets figure answered technical questions before tax commissioner Joseph Ingolia of Washington about the corporations which are no longer owned by the Marcello family.

The corporations are Jacqueline Inc., former owner of the Holiday Inn West property; Motor Hotels of Louisiana, which operated that motel; LeBaron Corp., former operator of Holiday Inn East, and Southland Inns, Inc., parent corporation of the others.

The years in question are 1959 to 1968. The tax matter involves 24 separate cases and no decision is expected for at least a year.

Marcello said he received personally \$300,000 for the sale of his interest in the Holiday Inns on Gentilly Blvd. and Airline Hwy. He said the Marcello heirs received \$84,000.

Marcello explained that he was made administrator of the Marcello heirs, a family group in which land owned by his parents was bequeathed.

Also testifying briefly before the commission, was Joseph "Baby" Matassa, who said he is affiliated with the Pelican Tomato Co. Marcello recently testified before a congressional investigating committee in Washington that he was a salesman for that company.

New Setback Is Handed To Marcello

States-Item Bureau

WASHINGTON — Rackets figure Carlos Marcello today lost another round in his court battle with the federal government, which is seeking to deport him to Italy.

Federal District Judge Charles Richey of District of Columbia denied Marcello's request for a ruling that he would not have to sign an application for an Italian passport as directed by the U.S. Immigration and Naturalization Service.

The decision apparently clears the way for resumption of a hearing here before an immigration inquiry officer, which was suspended earlier this week pending the court action in the capital.

Marcello is attempting to suspend a pending deportation order issued in 1961. The case is being heard by Special Inquiry Officer William Fliegelman of the Immigration Service.

In the phase of the case heard in Washington, Marcello contended the Immigration Service was wrong in forcing him to sign the passport application.

Marcello objected to the application on the ground both the U.S. form and Italian law require his wife also sign

Turn to Page 6, Column 1

Continued from Front Page

it. He said his wife has refused to sign such a document.

Judge Richey ruled Marcello legally can sign the form without his wife. He refused to declare the Immigration Service was wrong in forcing Marcello to sign, saying that no abuse was involved.

Atty. Jack Wasserman of Washington, representing Marcello, said he

Set Back

would appeal the decision to the federal appeals court in the District of Columbia.

The government has sought for many years to deport the Jefferson Parish figure on the basis of an old felony conviction. Italy in the past has refused to accept him on the ground he was born in Tunisia. That African country, now independent, was under Italian control when Marcello was born.