

MELCHOR CHAVEZ
House of Representatives
P. O. Box 2910
Austin, Texas 78767

Chavez

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS STATE HOUSE OF REPRESENTATIVES
HOUSE SELECT COMMITTEE ON IMPEACHMENT
AUSTIN, TEXAS
VOLUME I

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TRANSCRIPT OF PROCEEDINGS

BEFORE THE

TEXAS STATE HOUSE OF REPRESENTATIVES

HOUSE SELECT COMMITTEE ON IMPEACHMENT

AUSTIN, TEXAS

IN THE MATTER OF
HOUSE SIMPLE RESOLUTION NO. 161
JUDGE O. P. CARRILLO

PUBLIC HEARING

BE IT REMEMBERED that on Tuesday, the 20th day of May, 1975, beginning at 8:00 o'clock p.m., at the Old Supreme Court Room, State Capitol Building, Austin, Texas, the above-entitled matter came on for hearing before the HOUSE SELECT COMMITTEE ON IMPEACHMENT, the HONORABLE L. DeWitt Hale, Chairman, presiding, and the following proceedings were reported by Hickman Reporting Service, 504 Travis Building, 205 West 9th Street, Austin, Texas 78701.

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MEMBERS PRESENT

1 REPRESENTATIVE L. DeWITT HALE - Chairman

2 REPRESENTATIVE ROBERT MALONEY - Vice Chairman

3 REPRESENTATIVE JAMES E. (Pete) LANEY

4 REPRESENTATIVE JAMES KASTER

5 REPRESENTATIVE RICHARD C. SLACK

6 REPRESENTATIVE LYNN NABERS

7 REPRESENTATIVE JERRY NUB DONALDSON

8 REPRESENTATIVE SEFRONIA THOMPSON

9 REPRESENTATIVE MELCHOR CHAVEZ

10 REPRESENTATIVE SARAH WEDDINGTON

11 APPEARANCES

12 FOR HOUSE SIMPLE RESOLUTION NO. 161

13 REPRESENTATIVE TERRY CANALES, P. O. Box 730
14 Premont, Texas 78375.

15 FOR THE RESPONDENT, JUDGE O. P. CARRILLO

16 MR. ARTHUR MITCHELL, Mitchell, George and Belt,
17 1122 Colorado, Westgate Building, Austin, Texas 78701.

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CHAIRMAN HALE: The Committee will please
come to order. The Clerk will call the role.

THE CLERK Mr. Maloney?

MR. MALONEY: Present

THE CLERK: Mr. Chavez?

MR. CHAVEZ: Present

THE CLERK: Mr. Donaldson?

(No response.)

THE CLERK: Mr. Kaster?

MR. KASTER: Here.

THE CLERK: Mr. Laney?

MR. LANEY: Here.

THE CLERK: Mr. Nabers?

MR. NAMBERS: Here.

THE CLERK: Ms. Weddington?

MS. WEDDINGTON: Here.

THE CLERK: Mr. Slack:

(No response.)

THE CLERK: Mr. Thompson?

(No response.)

CHAIRMAN HALE: There is a quorum present.

This Committee is convened pursuant to House
Simple Resolution Number 167, which was adopted by the

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House on May 17, 1975:

"BE IT RESOLVED by the House of Representatives of the 64th Legislature, that there is hereby created a select committee of the House of Representatives composed of 11 members appointed by the Speaker, the chairman and vice-chairman thereof to be appointed by the Speaker, to consider House Simple Resolution No. 161 and investigate charges brought against O. P. Carrillo, and report back to the House its recommendations on whether presenting to the Senate of Texas a bill of impeachment against O. P. Carrillo is in order; and be it further

RESOLVED, that the committee is authorized to meet at the call of the chairman, meet in executive session when ordered by the committee, and expend funds for necessary expenses and employment of personnel as approved by the Committee on House Administration; and, be it further

RESOLVED, that the committee shall have all powers granted to committees of the House by Article 5962, Revised Civil Statutes of Texas, 1925, the Legislative Reorganization Act of 1961, and the Rules of the House of Representatives."

We're assembled this evening under authority

1 of House Simple Resolution 167 to consider and act upon
2 House Simple Resolution 161, requesting that impeachment
3 charges be preferred against the Honorable O. P. Carrillo,
4 Judge of the 229th Judicial District of the State of
5 Texas.

6 The authority of this Committee to act upon
7 the Resolution committed to us is contained in Article 15,
8 Section 1, of the Constitution of Texas, which provides
9 that the power of impeachment shall be vested in the
10 House of Representatives.

11 The Constitutional authority is made more pre-
12 cise and certain procedures are prescribed in Article
13 5961, and the following articles, Vernon's Annotated
14 Civil Statutes of the State of Texas.

15 The proposition before us imposes upon this
16 committee a heavy responsibility and a solemn duty. For
17 more than a century and a half, Texas has been blessed
18 with many great men serving in the judicial branch of our
19 government. These men have maintained high standards
20 of courage, honesty, and integrity. We are all dedicated
21 to the protection of the honor of the judicial branch of
22 government. To do this, we must leave no stone unturned
23 in our efforts to uncover any misconduct that would tar-
24 nish the reputation of the Judiciary and simultaneously
25 we must strive to protect the innocent from any charges

1 which are not well founded in fact.

2 The perimeters of the task before us have been
3 well defined by the Supreme Court of Texas in a landmark
4 case rendered on July 12, 1924 in the case of Ferguson vs.
5 Maddox, 236 S.W. 888, wherein the court stated in part
6 as follows:

7 "The sole function of the House and Senate
8 is not to compose 'the Legislature,' and to act
9 together in the making of laws. Each, in the
10 plainest language, is given separate plenary power
11 and jurisdiction in relation to matters of im-
12 peachment: The House the power to 'impeach,'
13 that is, to prefer charges; the Senate the power
14 to 'try' those charges. These powers are essen-
15 tially judicial in their nature. Their proper
16 exercise does not, in the remotest degree, in-
17 volve any legislative function.

18 In the matter of impeachment the House acts
19 somewhat in the capacity of a grand jury. It
20 investigates, hears witnesses, and determines
21 whether or not there is sufficient ground to
22 justify the presentment of charges, and, if so,
23 it adopts appropriate articles and prefers them
24 before the Senate. In doing these things, the
25 House is not 'legislating,' nor is it conducting

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an investigation in order that it may be in better position to legislate. It is investigating facts in order that it may determine whether one of the people's servants has done an official wrong worthy of impeachment under the principles and practices obtaining in such cases, and, if so, to present the matter for trial before the constituted tribunal. All of this is judicial in character.

The same is true of the Senate, except its powers are so clearly judicial as to make argument on the point almost superfluous. 'Impeachment,' says the Constitution, shall be 'tried' by the Senate. During the trial the Senate sits 'as a court of impeachment,' and at its conclusion renders a 'judgment.' Obviously, a body authorized to sit as a 'court' to 'try' charges preferred before it, that is, to hear the evidence and declare the law and to render 'judgment,' possesses judicial power, and in its exercise acts as a court. The Senate sitting in an impeachment trial is just as truly a court as is this court. Its jurisdiction is very limited, but such as it has is of the highest. It is original, exclusive, and final. Within the scope of its constitutional

1 authority, no one may gainsay its judgment."

2 That was the Supreme Court in Ferguson vs.
3 Maddox.

4 The Supreme Court has defined the function of
5 this committee as judicial in character rather than
6 legislative. Our responsibility is neither that of
7 prosecutor or jury. Our sole function is to conduct an
8 investigation to determine whether or not there are suf-
9 ficient grounds to justify the presentment of charges,
10 and if so, to adopt appropriate articles of impeachment
11 and recommend such articles for the consideration of the
12 House of Representatives.

13 I think each member of this committee is fully
14 cognizant of the gravity of the charges which we consider.
15 I am confident that each of you will approach the charges
16 before us with a completely open mind, dedicated to the
17 development of facts and firm in the conviction that any
18 decision made by this committee will be amply supported
19 by the evidence which we now begin to hear.

20 As your chairman, I assure you that I will
21 devote my best abilities to insure that the hearings of
22 this committee are conducted in a fair and impartial
23 manner and that our deliberations will reflect credit
24 upon each member of the committee and upon the House of
25 Representatives for whom we now act. The Chair urges

1 that we move expeditiously, yet deliberately, with due
2 regard for the rights and privileges of all who are in-
3 volved in this proceeding. The Chair seeks advice and
4 counsel from each of you and requests your full coopera-
5 tion and dedicated efforts to the end that our work prod-
6 uct will be one which will do justice to all concerned.

7 However unpleasant the task may be, the Chair
8 will do his duty as he sees it. I know that each of you
9 will do likewise. The people of Texas can expect no more;
10 we of this committee should offer no less. May we pro-
11 ceed in such a way that history will look favorably upon
12 our efforts as we seek to fulfill our obligations under
13 the Constitution and laws of Texas.

14 Pursuant to the authority vested in me by the
15 House Simple Resolution 167 and appointment by the Speaker
16 as Chairman of this Committee, on May 19, 1975, I sent
17 the following telegram, which I would like to read into
18 the record at this time:

19 "Honorable O. P. Carrillo, District Judge,
20 County Courthouse, San Diego, Texas.

21 The House Select Committee on Impeachment
22 will meet in the State Capitol at 8:00 p.m. on
23 Tuesday, May 20 to consider H.S.R. No. 161 by
24 Canales, seeking your impeachment from the
25 office of District Judge. Daily meetings

1 thereafter are contemplated until the inquiry is
2 completed. You are invited to be present in
3 person or by attorney; however, cross-examination
4 of witnesses will not be permitted, since this
5 is only an investigation and not a prosecution.
6 Any evidence you care to present bearing on the
7 inquiry will be welcome. The principal function
8 of this committee is to develop facts and your
9 assistance in this endeavor will be appreciated."

10 And signed by me, L. DeWitt Hale, as Chairman of the com-
11 mittee.

12 The Chair is advised that Judge Carrillo is
13 here, and we're delighted to have you here, Judge, to
14 participate in this proceeding.

15 JUDGE CARRILLO: Thank you very much.

16 CHAIRMAN HALE: The Chair lays before the
17 Committee at this time as the pending business of this
18 Committee House Simple Resolution Number 161 by Canales,
19 and recognizes the author of that resolution, Representa-
20 tive Terry Canales.

21 MR. CANALES: Thank you, Mr. Chairman.

PRESENTATION BY THE AUTHOR

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2
3 MR. CANALES: Mr. Chairman, members of the
4 Committee on Impeachment, I'd like to thank you for the
5 time that you will contribute to this Committee as I know
6 you are on very many other important matters that are
7 pending presently in these late hours of the 64th Legis-
8 lative Session. However, I believe the matter at hand
9 is of sufficient gravity that I believe the time dedi-
10 cated or devoted to it will well merit the consequence.

11 Tonight it is my intention, after having met
12 with substantial amounts of witnesses and having put
13 sufficient research in this to finally decide to intro-
14 duce House Simple Resolution 161, and I hope that I will
15 not prove to have been, not reflecting on Judge Carrillo,
16 but I hope that the matter will not prove to be one that
17 was introduced as a matter of haste.

18 Tonight I will introduce several witnesses, or
19 at least several witnesses are present, available to the
20 Committee. The first one on the agenda will be a Mr.
21 Cleofas Gonzalez, a former employee of a partnership
22 in which Mr. O. P. Carrillo and his brother, Commissioner
23 Ramiro Carrillo, were engaged in in Benavides, Texas, in
24 the county of Duval.

25 It is my intention to try to present a brief

1 synopsis of the evidence which each witness will testify
2 to, so that the Committee will have a background, and so
3 the hearing can be conducted as expeditiously as possible
4 because I realize that it is—well, with the colorful and
5 rich history of Duval County, it is very possible to go
6 off on tangents.

7 Mr. Cleofas Gonzalez, as I mentioned earlier,
8 was a former employee of the partnership between Judge O.
9 P. Carrillo and his brother, which was operated under
10 the name I believe, and the witness will correct me if
11 I'm mistaken, of the Farm and Ranch Store. This is
12 located in Benavides, Texas, and it is part and parcel
13 of the County Warehouse. The witness will explain to
14 you that the County Warehouse and the Farm and Ranch Store
15 are all part and parcel of the same building and complex.

16 Mr. Cleofas Gonzalez began work with this part-
17 nership in the early 1960's, and that same year, or ap-
18 proximately at that time, this Farm and Ranch Store was
19 created.

20 About 1965,—and having counseled with this
21 witness, he indicated to me approximately in that year,
22 there was created an entity, or at least a purported
23 entity called the Zertuche General Store. It is my
24 understanding that at that time Mr. Hector Zertuche was
25 the owner, and approximately a year later, Mr. Zertuche

1 was taken into the Army, whether voluntarily or unvolun-
2 tarily is not the question.

3 This store, the witness will testify, never
4 had any merchandise. It was a fictitious entity and never
5 used for any other purpose other than as a subterfuge,
6 except for possibly on one occasion, in which Christmas
7 presents were bought, I think.

8 The history will show that Mr. O. P. Carrillo,
9 the Judge, the Honorable Judge here, was at that time,
10 though not serving on the bench, I believe, a member of
11 the school board of the Benavides Independent School Dis-
12 trict.

13 Mr. Gonzalez, Cleofas Gonzalez, who will be
14 your first witness, will indicate and testify before this
15 Committee that when he was working at the Farm and Ranch
16 Store the Honorable O. P. Carrillo told him that they
17 couldn't sell merchandise to any of the governmental
18 agencies in this area, which included the Benavides
19 Independent School District, the County, the Water Dis-
20 trict, and the City, because of the permeation of the
21 local governmental agencies with members of the Judge's
22 family. I believe that the Honorable Judge Carrillo was
23 at that time on the School Board. His brother was, if
24 I am not mistaken, a City Alderman, and his Daddy was
25 serving on the Water District. The reason being that they

1 couldn't purchase or sell merchandise to the county was
2 because of the possible conflict of interest because of
3 the family serving in the executive positions of these
4 different governmental agencies.

5 To circumvent the prohibition or the possible
6 conflict of interest, Mr. Cleofas Gonzalez was brought
7 an invoice register with instructions by the Judge O. P.
8 Carrillo to make billings that were merchandise sold
9 through the Zertuche Store—I mean, through the—excuse
10 me—through the Farm and Ranch Store. We have to realize
11 that there are going to be two entities we're dealing
12 with: one which did not exist, only on paper, and the
13 other one, which was in fact a Farm and Ranch Store owned
14 and operated by the Honorable O. P. Carrillo and his
15 brother, later County Commissioner Ramiro Carrillo.

16 He was told that any purchases made by govern-
17 mental agencies to avoid a conflict of interest should,
18 when they were made, be written out on an invoice, not for
19 the Farm and Ranch Store where the purchase was actually
20 made, but for Zertuche General Store. Merchandise was
21 bought then through the Farm and Ranch Supply, but in-
22 voices were drawn on the Zertuche General Store. Money
23 was deposited to the Zertuche General Store pursuant to
24 the invoices and people who were billed, and Mr. Gonzalez
25 was directed to fill out, after having deposited these

1 checks in the account of the Zertuche General Store, he
2 was instructed to draw out on pre-signed checks—excuse
3 me—whatever amounts had been purchased from—it is con-
4 fusing—from the—actually from the Farm and Ranch Store,
5 but invoiced through the Zertuche General Store—he was
6 instructed to take this amount which had been paid to
7 this paper entity and redeposit it in the Farm and Ranch
8 Store, all amounts not actually having gone into this
9 account, some being drawn out in cash and some of the
10 money, I think, possibly being left to pay personal bills
11 of the family involved.

12 Additionally, to the sale of merchandise, which
13 was sold to the counties, in most instances before in-
14 voices were prepared, at the end of the months, Mr.
15 Cleofas Gonzalez, your first witness here, was told to
16 invoice the county or the different governmental agencies
17 for tractor rentals. It is questionable, and I'll let
18 the witness testify as to whether there actually were
19 tractor rentals or not. The county, or whichever govern-
20 mental entity was involved, was invoiced for this rental,
21 and the money was also deposited to Zertuche General
22 Store, but I believe as a general rule this money never
23 was—well, from there it went back into the Farm and Ranch
24 Store, the actual entity, but from there it was not
25 deposited, or it took a different trail from the money

1 that was actually used, or taken as receipts for mer-
2 chandise distributed.

3 It is the indication to your Speaker that the
4 checks on the Farm and Ranch Store, the actual entity,
5 were then made, some to Ramiro Carrillo and Brothers,
6 which it has been brought to my attention is a trust
7 for the beneficiaries being the children of D. C. Chapa
8 and his grandchildren, and among these the Judge's Daddy
9 is Mr. D. C. Chapa. There is a difference in last names.

10 At the time that all of these transactions were
11 taking place, it has been brought to my attention that
12 Mr. A. Zertuche was away at school. He was never present
13 at the time that all these transactions were taking place.

14 I have presented and put on the members of the
15 committee's desks some figures there which are indicative
16 of some of the invoices that were sent to the county
17 during the time that this Zertuche General Store and pur-
18 portedly existed. I have here, in this folder, for the
19 Committee's review, a record of the Benavides Independent
20 School District invoices, which were in fact—well, I'll
21 let the Committee look through them. And it has the
22 listing of all the different checks which were issued
23 and a record was kept, and at the time that all of these
24 this begins in January 14th of 1970 and it has continued
25 to the present, as information has been brought to me,

1 through this particular subterfuge, or another one of
2 similar import.

3 I will present this to the Committee for your
4 individual review. It is pretty voluminous. If the
5 Chairman feels that it would merit your individual at-
6 tention, he can ask the Clerk to prepare copies for each
7 one of the members. I've taken the time to underline
8 all of the accounts or the check numbers, etc., that have
9 been paid to the Zertuche General Store. Again, which
10 never existed except for on paper. And we have a
11 letter from the Comptroller certifying the fact that this
12 store was never registered or existed as far as the State
13 was concerned.

14 CHAIRMAN HALE: Mr. Canales, let the Chair
15 interrupt you just a minute. Ms. Wedding and Mr. Chavez
16 say they didn't get copies. Did you have enough for
17 everyone?

18 MR. CANALES: I did give, I think, at
19 least 12 copies to the Sergeant. I'm not sure what
20 might have happened to them. I'm sorry. I thought that
21 they had given everybody one.

22 CHAIRMAN HALE: All right. That's fine.

23 MR. CANALES: This is the only copy I
24 have of this. As you see, it is quite voluminous, and
25 if you wish, you can review it now during the testimony,

1 if it appears to be boring, or you can take it home and
2 review it. It is the records of the Benavides Independent
3 School District up to and including August 30th of 1973.
4 Of course, at that time, Mr. O. P. Carrillo was no longer
5 on the Board. However, his father, D. C. Chapa and his
6 nephew, I believe, a Mr. Rojelio Guajardo were serving
7 on the Board, if I'm not mistaken.

8 However, the record speaks for itself, and if
9 the Chairman permits, I'll present it to the Committee
10 here for their review.

11 It is my understanding that during this whole
12 time, or at least for the majority of the time in which
13 these transactions were actually taking place, Mr. Cleofas
14 Gonzalez, as his testimony will indicate, was on the pay-
15 roll of the County of Duval, when in fact his chores or
16 his actual duties were that of a clerk of the Zertuche
17 General Store which never existed and of the Farm and
18 Ranch Store, of which Mr. O. P. Carrillo and his brother
19 were proprietors.

20 Mr. Cleofas Gonzalez will testify that he was
21 the only person to issue invoices from the Zertuche
22 General Store, to his knowledge, and that he knows of no
23 body else who worked there, again supporting the proposi-
24 tion that it did not exist.

25 It is my understanding that after the money

1 had been deposited, paid to the Zertuche General Store,
2 the subterfuge which was used to circumvent a conflict
3 of interest, the money was then deposited in the Farm and
4 Ranch Store, and from there, Mr. Cleofas Gonzalez will
5 testify that sometimes checks were issued to these dif-
6 ferent persons and sometimes cash was issued to Mr. O. P.
7 Carrillo in person and sometimes to his brother, Ramiro,
8 who indicated that he would take it and deliver it to
9 Mr. O. P. Carrillo.

10 Mr. Gonzalez was also the purchasing agent, and
11 in fact the actual manager of the Farm and Ranch Store
12 at the time that all of this was transpiring. This is
13 going to be a very complicated matter to explain, but at
14 the same time that this store was operating, the front
15 part of what could be considered the County Precinct
16 Warehouse—I'm not sure if all of the members here of the
17 Committee are familiar with the way the precincts work,
18 but they generally have warehouses for each of the pre-
19 cincts. Well, at this place where the Farm and Ranch
20 Store was located there was also located the County Ware-
21 house, and whether inadvertently or not, as the Committee
22 should decide, merchandises and inventories of the county
23 and of the store were comingled in a warehouse which was
24 designed or intended to be kept and used for the purposes
25 of storing county inventory.

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It is the witness' intent to testify that some-
times—and this is going to be difficult to understand—
that the store, through one of its proprietors, would
indicate to him that they were to draw an invoice on the
merchandise which was had, or being kept at this particu-
lar store, when he knew that the merchandise had not been
purchased and was not present, at least in the form of
merchandise belonging to the store itself. It was not
present at the premises. There was merchandise belong-
ing to the county on the premises. That the management
of this particular Farm and Ranch Store would tell Mr.
Cleofas Gonzalez to draw out an invoice—again on Zertucha
General Store, because it was being sold to a county
entity, or a governmental entiry—he was told to draw out
an invoice to bill the county for this material, which in
fact already belonged to the county and was again being
sold to the county when they came up to pick it up for
use.

Additionally, the witness has indicated that he
will testify that the material on occasions was invoiced
and not delivered.

The witness will also indicate that county
material not only was resold to the county, but indiffer-
ently sold to the public, should the occasion arise and
a client from the general public should come in requesting

1 either posts, cement, nails, barbed wire, etc., whatever
2 merchandise the county might have had on hand at the par-
3 ticular time.

4 Mr. Gonzalez will testify to this in detail,
5 if the Committee should demand. It is my understanding
6 that his employment ended with this particular firm,—I
7 say "with the firm"; he was being paid by the county, the
8 county of Duval,—ended approximately May, 1974.

9 Additionally, Mr. Cleofas Gonzalez will indi-
10 cate to this Committee that there were very severe im-
11 proprieties being conducted with a Food Stamp program, or
12 something similar to this. It is my understanding that
13 Judge O. P. Carrillo was using this governmental subsidy
14 to the impoverished people to assist them in buying food,
15 to purchase food for his own use.

16 It has also been my understanding that county
17 vehicles, tractors, trailers, trucks and gasoline were
18 employed not only for ranch purposes, for delivering
19 grain that had been harvested at the ranch of O. P. Carrillo,
20 but for other purposes, to transport his farm machinery,
21 caterpillars, etc. In fact, I believe Mr. Cleofas Gon-
22 zalez will testify to the effect that there is presently
23 being repaired at the county precinct office a D-8 cater-
24 pillar which is presently leased to the Judge O. P. Carrillo.

25 I hope I have briefly summarized everything the

1 witness will present as best he can—and I hope you will
2 be somewhat lenient with him to the extent that he is
3 not as well—or is not as proficient in English as I am.
4 As you see, I stutter very well.

5 And at this time I will present, for your
6 examination, Mr. Cleofas Gonzales.

7 With your permission, Mr. Chairman, I will re-
8 quest that the witness be permitted to sit down during
9 testimony.

10 CHAIRMAN HALE: That will be perfectly all
11 right.

12 Do you intend to assist him by questions, Mr.
13 Canales, or is he just going to make a statement?

14 MR. CANALES: It is not my intent, Your
15 Honor,—Mr. Chairman, to interrupt the Committee questions
16 unless I feel that Mr. Gonzalez is being confused by some
17 question and requires some explanation, which I will re-
18 quest the Chair's permission.

19 CHAIRMAN HALE: Is he prepared to make a
20 statement first before he yields to questions? I pre-
21 sume he has some testimony?

22 MR. CANALES: I think he will make a brief
23 statement or try to summarize as best he can the events
24 which I have tried to summarize for the Committee's bene-
25 fit, and allow the Committee at that time to go in and

1 pick at the particulars, if you so desire.

2 CHAIRMAN HALE: Well, it occurs to me we
3 would need testimony as to the principal events first,
4 other than your preliminary summary, and it occurs to
5 me the witness should be prepared to make some type of
6 statement, either—that's why I asked if you were going
7 to ask him questions.

8 MR. CANALES: The witness will make a
9 statement, Mr. Chairman. I don't know how detailed the
10 Committee would like to be. I decided, or at least I
11 thought it would be best to allow the witness to make a
12 general statement, trying to include as best possible,
13 all of the events, but as you will realize, this took
14 place over a period of 13 or 14 years, and it will be
15 difficult for him to include—and it would be unwieldy
16 for the Committee to try to listen to—testimony covering
17 a period of 13 or 14 years in detail. We are interested,
18 I believe, not in the actual business transactions which
19 might have been conducted by the store, but more the ones
20 that might prove to be in violation of certain penal code
21 articles and code canons of ethics which the State Bar
22 might have interpreted or set forth for the judiciary,
23 and what not.

24 I am available for questions to the Committee
25 at this time, if they have anything they would like to

1 clear up before I allow Mr. Gonzalez to take the floor.

2 CHAIRMAN HALE: All right. Are there
3 questions of Mr. Canales? Mr. Maloney?

4 MR. MALONEY: Mr. Chairman, it seems that
5 Mr. Canales, unless he has some testimony to offer of his
6 own knowledge, anything he says would be of no benefit
7 to the Committee.

8 CHAIRMAN HALE: I think that's true.

9 MR. CANALES: That is my feeling also,
10 Mr. Chairman. It was just my intent to summarize the
11 testimony that would be given to you, so that the Committee
12 would know in which manner to cross examine, so to speak,
13 the witness, and would not go off on tangents which might
14 involve hearsay on his part.

15 CHAIRMAN HALE: Well, I know it's going to
16 be extremely difficult to avoid going off on these tangents,
17 but the Chair is going to do the best I can to try to con-
18 fine everything to the perimeters of the inquiry with which
19 we are charged. And the question was raised a moment ago
20 by one of the members of the Committee as to how far back
21 we should go on this. Could you tell the Chair, when did
22 Judge Carrillo become District Judge?

23 MR. CANALES: If I am not mistaken, it
24 was in the neighborhood of 1969 or 1970. These records
25 and the testimony will cover the period from the time

1 that he left the position that he held with the School
2 Board and assumed the bench as a District Judge up until
3 the relatively recent present, until I believe November
4 of '74.

5 CHAIRMAN HALE: Do you have any further
6 questions, Mr. Maloney?

7 MR. MALONEY: No further questions.

8 CHAIRMAN HALE: Mr. Slack, do you have
9 any questions of Mr. Canales?

10 MR. SLACK: No questions.

11 CHAIRMAN HALE: Mr. Hendricks?

12 MR. HENDRICKS: Mr. Canales, do you have
13 any personal knowledge of these transactions?

14 MR. CANALES: I have no personal knowledge
15 of the transactions that took place.

16 MR. HENDRICKS: That's all.

17 CHAIRMAN HALE: Mr. Nabers?

18 MR. NABERS: No.

19 CHAIRMAN HALE: Mr. Kaster?

20 MR. KASTER: Yes.

21 Mr. Canales, this summary you're talking about,
22 this is not the sum and substance of all of it? I thought
23 you were going to give us a summary of the case you're
24 going to present, but I assume you just talked about what
25 this witness is going to talk about?

1 MR. CANALES: I would like to present a
2 summary if the Committee will permit, of each individual
3 witness before they are presented, so that the Committee
4 will know what he is speaking about. The first—well,
5 Mr. Gonzalez will cover the improprieties which I have
6 tried to explain or bring out in my summary, which has
7 just been presented.

8 There are other—there will be other testimony
9 presented which will deal with official misconduct, not
10 misappropriation of county funds or whatever charges
11 that might be involved.

12 MR. KASTER: I was just hopeful that you
13 were going to give us a capsule of what your case you're
14 going to present here in summary, so that myself, not
15 being a lawyer, I could know what to be expecting. Now,
16 all I know is about what this one witness, and I don't
17 know how it fits into the scheme.

18 MR. CANALES: Mr. Kaster, I sometimes claim
19 to be a lawyer, but I am not a prosecutor so I'm not very
20 good at summarizing or presenting a criminal case. It
21 will be the determination of the Committee to determine
22 from the testimony—I'd like to ask the Chair before I
23 finish answering your question whether the Chair has en-
24 gaged counsel for the Committee?

25 CHAIRMAN HALE: No, sir. No counsel has

1 been engaged. Mr. Bob Johnson is sitting in as counsel
2 for the Committee at the request of the Committee, tem-
3 porarily at least.

4 MR. CANALES: As counse^r for the Committee
5 or as parliamentarian for the Committee?

6 CHAIRMAN HALE: Well, in whatever capacity
7 we want to use him, Mr. Canales.

8 MR. CANALES: Thank you.

9 MR. CASTOR: Then, to finish, I'm confused
10 about what November '74 has to do. You said that Judge Car-
11 rillo became judge in '69. Is he still judge now?

12 MR. CANALES: Yes, he is presently sitting
13 on the bench. Judge Carrillo is presently under indict-
14 ment. I have one of the committee clerks presently copy-
15 ing or xeroxing the charges which have been filed against
16 Judge Carrillo in the Federal District Court for the
17 Southern District of Texas, the Corpus Christi Division.
18 There are several counts, I don't know exactly how many
19 that are presently pending, criminal counts involving
20 violations of the income tax or the Internal Revenue code,
21 specifically based on the testimony that Mr. Cleofas
22 Gonzalez will present to this Committee. The testimony
23 that Mr. Gonzalez will present and possibly a Mr. Couling
24 will deal or direct itself to the points which are dealt
25 with in the criminal indictment. There are other cases

1 of what I would consider to be official oppression or
2 judicial oppression and misconduct which will be presented
3 subsequent to this at the Committee's leisure. Thank you,
4 Mr. Chairman.

5 CHAIRMAN HALE: Mr. Donaldson.

6 MR. DONALDSON: Pass.

7 CHAIRMAN HALE: Mr. Laney.

8 MR. LANEY: Pass.

9 CHAIRMAN HALE: Ms. Thompson.

10 MS. THOMPSON: Pass.

11 CHAIRMAN HALE: Ms. Weddington.

12 MS. WEDDINGTON: No, sir.

13 CHAIRMAN HALE: Mr. Chavez.

14 MR. CHAVEZ: Yes, sir.

15 Mr. Canales, is it your intention to have the
16 Committee consider any transaction that the Judge might
17 have been involved in prior to the time that he took office?

18 MR. CANALES: I think a portion of it, Mr.
19 Chavez, will be included, however the majority of it will
20 be from 1970 forward, including all of the years in which
21 he has served on the bench. Yes.

22 MR. CHAVEZ: So that in the event—

23 MR. CANALES: If you'll excuse me, if tes-
24 timony is offered which is—covers a period prior to his
25 assumption of the bench, although I believe it is

1 pertinent, it is designed on my part or on the part of the
2 witness not for any other purpose but to show a general
3 trend or modus operandi, if nothing else, if I can use
4 that term.

5 MR. CHAVEZ: Some of these actions, I pre-
6 sume, from what you told us in your statement were con-
7 tinuing acts— continuing transactions—

8 MR. CANALES: They have continued up until
9 now. Yes. This witness cannot testify to matters con-
10 cerning the store past, I think, what I stated May of 1974
11 because he left that employment at that time. He can
12 testify to other matters which are in his personal ex-
13 perience that have occurred there in the community. It
14 is a small community, and it is consequently subject to
15 the scrutiny of all of the individuals around there be-
16 cause of the compactness of its size, and everybody knows
17 everybody else's business.

18 MR. CHAVEZ: You mention two— two brothers
19 involved in this—

20 MR. CANALES: Well, I'm hesitant to involve
21 the other brother because he's not involved, and I apolo-
22 gize to the Committee, but it deals with a partnership
23 in which he was a participant and consequently, it would
24 mislead the Committee if I were to tell them that it was
25 his business as a sole proprietorship. It was, in fact

1 a partnership as—I have a store certificate here which
2 I have received. I believe it's in your—yes, it's in
3 the pocket which you have before you.

4 MR. CHAVEZ: That's O. P. Carrillo?

5 MR. CANALES: Yes, exactly. O. P. and
6 R. D. Carrillo, I believe.

7 MR. CHAVEZ: That's the County Commissioner?

8 MR. CANALES: It's his brother, yes.

9 MR. CHAVEZ: That's all I have.

10 CHAIRMAN HALE: Thank you. Do you want to
11 call your witness?

12 MR. CANALES: I'll call my witness. I'll
13 call Mr. Cleofas Gonzalez at this time.

14 CHAIRMAN HALE: Do you want to pass out
15 these other notariats first or not?

16 MR. CANALES: I'll ask the sergeant or the
17 clerk to pass them out. Those, members of the Committee,
18 are copies of the—I believe, the indictment. I haven't
19 had time to review. They have just been brought to me
20 and presented to me, so I would ask you—I have not been
21 able to summarize them myself—to review them at your
22 leisure. They are copies of the indictment which has
23 previously been returned, and I believe of the original
24 dectat or copy of the other matters which are of record
25 in this matter in the Federal District Court in Corpus

1 Christi. I'll at this time call Mr. Cleofas Gonzalez,
2 Mr. Chairman.

3 CHAIRMAN HALE: Fine. Mr. Gonzalez, first
4 let me— I don't mean to be rude by this question— Do
5 you understand English?

6 MR. GONZALEZ: Yes, sir.

7 CHAIRMAN HALE: —and you know what I'm
8 saying to you?

9 MR. GONZALEZ: Yes, sir.

10 CHAIRMAN HALE: As Chairman, I wish to ad-
11 vise you of your rights with reference to your testimony.
12 After you have completed your statement, members of the
13 Committee may ask questions concerning your testimony.
14 You must answer these questions truthfully, and your re-
15 fusal to do so would subject you to punishment for con-
16 tempt of the legislature. You can refuse to answer ques-
17 tions only on the ground that such answers might incrim-
18 inate you or tend to incriminate you in some way. Also
19 I further advise that you are privileged to have an attor-
20 ney of your selection to sit with and advise you as to
21 your answers if you desire. The Chair will attempt to
22 protect your rights at all times. Do you understand the
23 advice I have given you?

24 MR. GONZALEZ: Yes, sir.

25 CHAIRMAN HALE: Are you ready to testify

1 at this time?

2 MR. GONZALEZ: Yes, sir.

3 CHAIRMAN HALE: Would you stand and raise
4 your right hand?

5
6 MR. CLEOFAS GONZALEZ

7 was called as a witness by the Author of HSR-161 and,
8 being duly sworn by the Chairman, testified as follows:

9 MR. CANALEZ: Mr. Chairman, I don't be-
10 lieve that the Chair advised Mr. Gonzalez—and I believe
11 it would be in order to advise him—that he is subject
12 to the penalties of perjury should he lie to the
13 Committee.

14 CHAIRMAN HALE: Well, I thought I suggested
15 that to him.

16 Your testimony is under oath, and if it is un-
17 truthful, why, you are subject, of course, to the penal-
18 ties of perjury. For the record, would you please state
19 your name, your address, your mailing address, and— Well,
20 we know that capacity in which you appear here. —your
21 name and your mailing address.

22 A Cleofas Gonzalez, General Delivery, Benavides,
23 Texas, Duval County.

24 CHAIRMAN HALE: Thank you. You may proceed
25 with whatever statement you wish to make.

DIRECT TESTIMONY

1
2 MR. GONZALEZ: First of all I've got some
3 corrections to make that I didn't hear right from Mr.
4 Canales, and that is—so it would be put on records— I
5 didn't hear right—Hector Zertuche—

6 First, it was a general store. This store went
7 on for about a year. Then Hector Zertuche went to the
8 army, and his brother, Arturo Zertuche, took over, and
9 they named the store Zertuche General Store. And another
10 correction I got for him to make— He said about food
11 stamps. They weren't food stamps; they were Duval County
12 Welfare orders, for food, drugs, doctor, and so forth.
13 Now, I am ready to answer any questions, or if you want
14 me to just verify how I started working for the County and
15 all this?

16 CHARIMAN HALE: I think it might be helpful
17 and will the members of the Committee speak up if you
18 differ. I think it would be very helpful, Mr. Gonzalez,
19 if you simply stated in narrative form similar to what
20 Mr Canales did the basic facts as you see them. At this
21 point, unfortunately, the members of the Committee are not
22 sufficiently informed on what the facts are to really be
23 able to intelligently answer questions.

24 MR. CANALES: Mr. Chairman, if the Chair
25 would prefer and if you believe it might expedite matters,

Gonzales-direct

1 I could proceed in a manner similar to cross examination
2 to assist the witness in presenting the story as he went
3 along.

4 CHAIRMAN BALK: I think that might be very
5 helpful, if you would do that, Mr. Gonzales.

6 DIRECT EXAMINATION

7 BY MR. GONZALES

8 Q Okay, Mr. Gonzales, would you please tell us,
9 or tell the Committee when you were first employed by the
10 partnership which was known as the Farm and Ranch Store?

11 A I started work there in the early '60's.

12 Q Who owns the Farm and Ranch store?

13 A O. P. Carrillo and Rosario D. Carrillo.

14 Q Is it Mr. O. P. Carrillo, the Judge, that is
15 sitting over here to the right?

16 A Yes, sir. Yes, sir.

17 Q Who owned the store—Zortuche General Store—
18 at the time that it was first organized?

19 A Arturo Zortuche.

20 Q About what year was the Zortuche General Store
21 supposedly organized?

22 A Oh, I say about four or five years later—were
23 or four.

24 Q 1963, '64, '65?

25 A About '65, right along there.

1 Q You say that Mr. Hector Zertuche was the owner
2 at that time. What happened to Mr. Hector Zertuche?

3 A Well, it was first—when they organized this store
4 it was Hector Zertuche and they named it General Store.
5 Then Mr. Zertuche had to leave for the army; he was called
6 for service.

7 Q Mr. Hector Zertuche?

8 A Hector Zertuche—and then his brother took over
9 and they named that store— Zertuche General Store.

10 Q Who was his brother, Mr. Gonzalez?

11 A Arturo Zertuche.

12 Q Mr. Gonzalez, to your knowledge, did the
13 Zertuche General Store ever exist as an entity which owns
14 merchandise itself?

15 A Not that I know, sir, just on one occasion that
16 they brought some Christmas gifts—they didn't go so
17 good so—I don't know where the merchandise went to, but
18 Farm and Ranch had to pay for that merchandise.

19 Q Did the Zertuche General Store ever have any
20 premises at which they operated other than the Farm and
21 Ranch store?

22 A Well, the only time they put all that merchan-
23 dise on the old Bial Sales Building—

24 Q It was held at the—Bial Sales Building?

25 A Yes.

1 Q How long did this enterprise last at the—

2 A About a month.

3 Q About a month?

4 A Yes, sir.

5 Q After that, you were at that time working for
6 the Carrillo brothers?

7 A I was working for Duval County.

8 Q You were being paid by Duval County?

9 A Yes, sir.

10 Q How much, Mr. Gonzalez, were you being paid per
11 month?

12 A By the county, well at that time about \$2.50,
13 I think.

14 Q Were you being paid by anybody else?

15 A No, sir.

16 Q You received no other salary other than from
17 the county?

18 A No, sir.

19 Q What did you do at that time? What was your
20 employment?

21 A Well, they hired me as a warehouseman.

22 Q The county?

23 A County warehouseman, and at that time they had
24 some construction going on building that new highway; they
25 had to build the right of way, so they dealt a lot with

1 barbed wire and posts, windmills; making water troughs
2 for those lands that were divided into highway. I
3 was a warehouseman, and I used to deliver the merchandise
4 to the people that worked with the county.

5 Q Where was this merchandise kept?

6 A Well, we started on that behind the old Bial
7 Sales Building, when it first started.

8 Q Was the warehouse ever transferred to a building?

9 A Yes, sir.

10 Q —that was being used as the Farm and Ranch Store
11 —the one that we have been discussing?

12 A Yes, sir. Later on Mr. O. P. Carrillo bought
13 this other property from the Vaello's bankruptcy, and they
14 moved all this shop and merchandise and everything to this
15 other building. There used to be another lumberyard,
16 the old Vaello Lumberyard.

17 Q Mr. Gonzalez, if I can caution you, I'd appre-
18 ciate for the benefit of the court reporter that you don't
19 begin to answer my questions until such time as I've fin-
20 ished because it is impossible for him to take down both
21 conversations at the same time.

22 You say that later the Carrillo brothers pur-
23 chased a building from a sale and bankruptcy?

24 A Yes, sir.

25 Q And which building was this?

 A Another Vaello Lumber Company.

RCT

1 Q Is that the building where you work is as a
2 parts distributor or a manager?

3 A Yes, sir.

4 Q What else did you do while you were employed,
5 Mr. Gonzalez, by the county of Duval?

6 A Well, they started bringing in some merchan-
7 dise, and they just told us, "Sell some if you can," so
8 I went ahead and do it. There was not a choice. I just
9 wanted to get my bread and butter for my children so I
10 started doing it.

11 Q They created a Farm and Ranch store, and you
12 were employed by the County?

13 A Yes, sir.

14 Q And you were working additionally in the Farm
15 and Ranch store?

16 A Yes, sir.

17 Q What was Mr. O. F. Garrille's occupation at
18 that time, do you know, in about 1960 to 1965?

19 A I think he was the County Attorney; I'm not sure.
20 I think County Attorney.

21 Q What time do you think Mr. Garrille began ser-
22 ving on the schoolboard, do you know?

23 A No, I don't remember.

24 Q Mr. Gonzalez, I would like to elaborate for the
25 Committee, having interviewed with you earlier yesterday

1 and today, you indicated to me that when you took over the
2 job of running the Farm and Ranch store, you were in-
3 structed to issue invoices for purchases from governmental
4 entities on a Zertuche General Store.

5 A Yes, sir.

6 Q Did a Zertuche General Store exist?

7 A Only by invoice register.

8 Q What is an invoice register? Is it just a
9 tablet?

10 A Well it's just a machine that you put some in-
11 voices and make out tickets, like merchandise you're taking.

12 Q What were you told when you were delivered the
13 invoice register? What were the instructions that you re-
14 ceived and who did you receive them from?

15 A I received them from O. P. Carrillo and from
16 Ramiro D. Carrillo that I couldn't sell—that the Farm
17 and Ranch couldn't sell no merchandise to the county or
18 school or water district or city of Benavides, or any
19 government agency because they had some decisions, and
20 that I had to bill them under the Zertuche General Store.
21 That was the reason they gave me. That's why they brought
22 me this invoice register.

23 Q Did you, in fact, sell merchandise from the store
24 and bill it to the Zertuche General Store?

25 A Yes, sir.

1 Q You only used this when you were dealing with
2 the governmental entities, or did you use it when you
3 were dealing with the general public?

4 A Just for the governmental agencies.

5 Q Mr. Gonzalez, what capacity did you serve in
6 as manager or general manager of the Farm and Ranch store?
7 What were your duties besides a sales clerk?

8 A I did everything.

9 Q Did you order the inventory for the Farm and
10 Ranch store? ✓

11 A Yes, sir.

12 Q Did you carry on their bookkeeping for them?

13 A Well I didn't do much bookkeeping; I just kept
14 those invoices and payments, receiving accounts, but I
15 didn't keep no books because I wasn't getting paid for it.

16 Q After you issued the invoices, Mr. Gonzalez,
17 on the Zertuche General Store for merchandise that was
18 sold from the Farm and Ranch Store to the governmental
19 agencies, what did you do when you received payments for
20 the invoices which you later billed?

21 A Well, I was instructed to get all the checks
22 from all these government agencies, deposit it to the
23 Zertuche General Store, then make a check, I was given a
24 bunch of blank checks on Arturo Zertuche, and for me to
25 make a check out to the Farm and Ranch supply for whatever

1 amount of merchandise that was sold to this government
2 entity.

3 Q You had blank checks?

4 A Yes, sir.

5 Q Were they already signed when they were delivered
6 to you?

7 A Yes, sir.

8 Q You were instructed just to fill in the amounts
9 and deposit them to the Farm and Ranch Store?

10 A Yes, sir. I deposited them to the Zertuche
11 General Store; then I made a check from the Zertuche
12 General Store and I deposited whatever the government
13 paid to the Zertuche General Store. And then I would
14 make a check from the Zertuche Store to the Farm and
15 Ranch Supply.

16 Q Mr. Gonzalez, did you know personally Mr.
17 Arturo Zertuche?

18 A Yes, sir.

19 Q Where was he all during this time?

20 A In college at Denton.

21 Q Do you know of your personal knowledge whether
22 in fact, Mr. Arturo Zertuche was on the county payroll
23 at that time?

24 A Yes. Because I saw some of his checks.

25 Q He was being paid by the county?

1 A Yes, sir.

2 Q He was away in college?

3 A Yes, sir.

4 Q He was not running the Zertuche General Store?

5 A No.

6 Q Mr. Gonzalez, after the money was deposited
7 from the Zertuche General Store into the Farm and Ranch
8 Supply, or Farm and Ranch Store owned by Judge Carrillo
9 and his brother, what happened to the money at that time?
10 Did you make any distributions to any of the people, or
11 was the money left in the checking account of the Farm
12 and Ranch Supply Store?

13 A Well, for the merchandise that was sold, it was
14 kept under the Farm and Ranch Supply, but I used to make
15 some rental invoices and that money—sometimes I would
16 make checks to different persons and sometimes they would
17 tell me to bring some cash.

18 Q You say "rentals," Mr. Gonzalez; what type of
19 rentals did the Zertuche General Store have?

20 A Well, I don't know. They would just tell me
21 at the end of the month, "Make a ticket for rental equip-
22 ment for so much."

23 Q Tractors, trucks?

24 A Yes. Well, they didn't say what, but I think
25 it was for tractors and trucks.

1 Q Did the Zertuche General Store own any tractors?

2 A Not that I know.

3 Q Were you familiar with all of the merchandise
4 that didn't exist in the Zertuche General Store?

5 A Yes, sir.

6 Q Who was the money in fact distributed to? Who
7 did you make the checks payable to, in particular?
8 Could you name whoever you gave them to, and if you
9 cashed checks and delivered cash, would you tell us who
10 you delivered the cash to?

11 A Well, I would make checks to Ramiro Carrillo
12 and Brothers and also Oscar Carrillo, O. P., and some-
13 times to Ramiro. And that cash money I would just write
14 cash and I wrote on the bottom, "for store change."

15 Q Mr. Gonzalez, did you pay any other bills out
16 of the Zertuche General Store checking account?

17 A Yes, I guess I was instructed sometimes by
18 Mr. Carrillo, O. P. Carrillo, for me to pay First State
19 Bank for some car notes that Arturo owed for Mobil
20 Oil Company, or—I just don't remember, but I did. Yes,
21 sir.

22 Q Then, it's my understanding that some of the
23 checks—all of the checks from the Zertuche General Store
24 were deposited, the amount that you received was deposited
25 in the Farm and Ranch Store?

1 A Yes, sir.

2 Q Nevertheless, there were still some deposits
3 being made to pay for some other accounts?

4 A I guess so, because they had some money.

5 Q The checks were honored when you drafted them?

6 A Yes. Yes, sir.

7 Q Mr. Gonzalez, did you do all of the purchasing
8 for the Farm and Ranch Supply Store which Mr. Carrillo
9 owned in company with his brother?

10 A I did.

11 Q At the time that you were working there, did
12 they store county merchandise and inventory on the
13 premises?

14 A Yes, sir.

15 Q Is it because at the front part of the premises
16 there is a Farm and Ranch Store and in the back was the
17 county warehouse?

18 A Yes, sir.

19 Q Did you ever put the merchandise you had in
20 fact purchased for the Farm and Ranch Supply Store in the
21 same room, in the same warehouse, with county materials?

22 A Yes, sir.

23 Q Did you have any trouble distinguishing which
24 merchandise belonged to whom?

25 A Well, no.

1 Q You knew which merchandise belonged to the
2 county?

3 A Yes, sir.

4 Q You knew which merchandise belonged to the
5 store?

6 A Yes, sir.

7 Q You, in fact, purchased all the merchandise
8 which the store owned and consequently knew which belonged
9 to the store?

10 A Yes, sir.

11 Q Mr. Gonzalez, being that the county warehouse
12 was on the premises where the Farm and Ranch Supply Store
13 was located, I would assume that when there was necessity
14 for using some of these supplies, the county employees
15 were sent to pick it up. Right?

16 A Yes, sir.

17 Q What did you do when the county employees came
18 to pick up materials which belonged to the county?

19 A Well, sometimes I was instructed for me to
20 make an invoice for everything that was taken by the
21 county workers.

22 Q Well, Mr. González, he just testified that this
23 property belonged to the county already, and you're tell-
24 ing me now that you are selling it to them again?

25 A Well, I don't know. Sometimes maybe they were

1 going to replace it or something, but—

2 Q Did they actually sell merchandise already
3 belonging to the county, to the county again, and bill
4 them through the Zertuche General Store?

5 A (No response.)

6 Q Did you understand my question?

7 A Yes, sir. Well, yes, I sold to other county
8 precincts, like to Precinct County Number 2 and Precinct
9 County Number 4. We used to sell them some posts and
10 wire, if I got you right there.

11 Q You sold them material that already belonged
12 to the county?

13 A Well, yes.

14 Q You testified that you knew which material
15 belonged to who?

16 A Yes.

17 Q Did you sell them material that belonged to the
18 county?

19 A Yes, sir.

20 Q Did you bill them through Zertuche General
21 Store?

22 A Yes, sir.

23 Q Were you, in fact, again paid by the county
24 when you issued these invoices?

25 A Yes, sir.

1 Q And this money was deposited in the Zertuche
2 General Store—

3 A Yes, sir.

4 Q —accounts?

5 A Yes, sir.

6 Q And under the same scheme it was then paid to
7 the Farm and Ranch Supply Store?

8 A Yes, sir.

9 Q And from there it was sent either to the Ramiro
10 Carrillo Brothers, which is a trust, or cashed and given
11 to the different individuals who were owners of the store?

12 A Yes, sir.

13 Q Mr. Gonzalez, you indicated to me that not all
14 of the material which belonged to the county was stored
15 at the warehouse, particularly the posts because of their
16 volume and size. Where were these posts kept?

17 A Well, some were kept at—Mr. Carrillo owned
18 another place about half a mile from—

19 Q Which Mr. Carrillo? Let's not confuse the
20 Committee.

21 A Mr. Ramiro Carrillo.

22 Q Ramiro Carrillo. But it's not the Judge that
23 we're talking about for this court?

24 A No.

25 Q What do they generally store out there?

1 A Well, they've got some county equipment, like
2 tractors, trucks and posts.

3 Q When someone would come in from the county—I
4 assume you knew all of the county employees?

5 A Oh, yes.

6 Q —and asked you for posts, what would you do?

7 A Well, I would get them whatever they needed.

8 Q Were they there at the warehouse, or were they
9 out at the ranch?

10 A They were out at the ranch.

11 Q And did you bill them when they went out and
12 picked up the county posts?

13 A Sometimes I was instructed to do it. Yes.

14 Q Who instructed you to do that?

15 A Ramiro Carrillo.

16 Q You said that some of the county material was
17 in fact sold back to the county, billed through the Zer-
18 tuche General Store, and later deposited in the funds
19 of the Farm and Ranch Supply Store, which is owned by
20 Judge Carrillo. Did you ever sell any of the county's
21 material to the general public?

22 A Yes, sir.

23 Q Did you invoice them through Zertuche General
24 Store, or through the Farm and Ranch Supply?

25 A To the general public, I billed just from the
Farm and Ranch Supply.

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1 Q Mr. Gonzalez, this being the county warehouse,
2 do they have a gasoline pump there, or a diesel pump
3 to service the machinery which the county owns and oper-
4 ates?

5 A Yes, sir, they do.

6 Q Did you ever have occasion to see Judge Carrillo
7 fill up his personal automobile with county-owned gasoline?

8 A Yes I've filled up some of his trucks that
9 were used on the farm.

10 Q You filled up some of the trucks that he used
11 on his farm?

12 A Yes, sir.

13 Q Mr. Gonzalez, do you know whether county equip-
14 ment, be it tractors, trucks, or whatever, was used to
15 transport machinery belonging to Judge O. P. Carrillo?

16 A Yes, sir

17 Q It was, in fact, used?

18 A Yes, sir

19 Q Do you know of any time in which county trucks
20 were ever used to transport grain to market which was har-
21 vested at the O. P. Carrillo Ranch?

22 A Yes, sir

23 Q Did you call the D P. S. and tell them that a
24 truck that belonged to the county was transporting grain
25 that belonged to Judge O. P. Carrillo?

1 A Yes sir, we did.

2 Q What action did the D.P.S. take?

3 A They didn't say anything. They said, "Well,
4 we'll get out there one of these days."

5 Q What type of license plates did these trucks
6 have on them?

7 A Exempt license.

8 Q Did they have any markings on them that would
9 indicate that they belonged to the county?

10 A No, sir.

11 Q Did Judge Carrillo know that these trucks be-
12 longed to the county?

13 A I think so.

14 Q Mr. Gonzalez, I would like to get into another
15 matter, and you will correct me in my identification of
16 this program wherein people were assisted through the coun-
17 ty for purchasing groceries.

18 MR. CANALES: If the Committee will permit
19 me, I have right here for their examination, some of the
20 invoices which were sent out by the Zertuche General
21 Store, again, which never existed. We will prove that
22 there were, in fact, invoices issued.

23 CHAIRMAN HALE: Counsel, let the Chair
24 urge you to stay as close to the microphones as possible
25 when we're talking here, so that we don't miss any of

Pages 52 through 55 missing in original copy

1 is my understanding—and the witness I hope will correct
2 me if I'm wrong—that Mr. O. P. Carrillo would not in fact
3 benefit monetarily, but would use the stamps himself to
4 purchase his own food. The slips were taken to a grocery
5 store; he purchased food, with a person with which he was
6 friendly or something, who was in fact being paid with
7 the slips, because he would in turn turn around and col-
8 lect the money which he would otherwise have to receive
9 from Judge O. P. Carrillo. He would in turn collect it
10 from the county, which would pay the bill at the end of
11 the month, based on these voucher slips. There was no
12 cash, it was my understanding.

13 BY MR. CANALES

14 Q Will you correct me if I'm wrong?

15 A You're correct.

16 MR. CANALES: They were used to purchase
17 his own personal food with, according to the witness.

18 CHAIRMAN HALE: Thank you. And invoices
19 to the county, and the—

20 MR. CANALES: The county would issue a
21 warrant to the individual who redeemed these, based on
22 the quantity or the amount which is listed on each one.
23 There is a dollar amount listed on each one.

24 If say, "X Store" came in and had fifty of
25 these at twenty dollars apiece, whatever that works out to,

1 that particular store would be issued a warrant by the
2 county, and these would be redeemed and the account paid
3 for.

4 CHAIRMAN HALE: I see.

5 Mr. Slack would like a question.

6 MR. SLACK: By what authority did O. P.
7 Carrillo sign it? In what capacity?

8 MR. CANALES: Mr. Slack, I do not know in
9 what capacity Mr. Carrillo signed these things. The
10 point that the witness, I believe, attempted to convey
11 to the Committee was that regardless of the authority to
12 sign them or not to sign them, obviously they were author-
13 ized in some way or else the county would not have honored
14 them. Regardless of who had the authority to sign them,
15 they were being honored, but the food which in fact they
16 were used to redeem or to purchase, was not going into the
17 hands of the person who is named on the slip, where many
18 of them are probably fictitious, you will notice that
19 they are just last names, and "Garcia" in a community in
20 South Texas is more or less like "Smith" in Dallas, I'm
21 sure. There must be millions of Garcias and Rodriguez'
22 in that area. It's a very common last name. So, con-
23 sequently, no first name was ever put on there, to make
24 it more difficult to trace the individuals who supposedly
25 were the beneficiaries of these, of the food stamps or

1 whatever—I think they're called "chits."

2 MR. SLACK: These are just purchase orders
3 in a very simplified form, but to my knowledge, in most
4 counties these are issued out of the office of the County
5 Judge. You have to go to the County Judge—

6 MR. CANALES: I'm not familiar with the
7 process.

8 MR. SLACK: —in the processes where I'm
9 familiar, and counties do look after indigents, of
10 course, historically.

11 MR. CANALES: It was brought to my atten-
12 tion, Mr. Slack, that the issuing agent, if it is the
13 county judge, is in fact empowered to allow individuals
14 to approve these. In fact, I believe Mr. Gonzalez—
15 which I don't think the evidence is very pertinent to the
16 points which we're discussing, but it is clarative of
17 this particular matter—Mr. Gonzalez was in fact em-
18 powered at one time to sign these slips, after he left the
19 employment of the Carrillo Brothers.

20 Whether their authority is in the county judge,
21 or whichever county official it's in, apparently it can
22 be delegated to some individual.

23 MR. SLACK: The Commissioner's Court
24 paying it at the proper time, they authorized payment,
25 of course.

1 MR. CANALES: Yes.

2 MR. SLACK: If they wish to delegate that,
3 I'm sure that—

4 MR. CANALES: That's my understanding.
5 I couldn't vouch for the administrative procedure for
6 the issuance of them.

7 MR. SLACK: Thank you, sir.

8 BY MR. CANALES

9 Q Mr. Gonzalez, I would like to get back to some
10 of the misappropriations, or apparent misappropriations,
11 if I can correct myself, of county vehicles. To your
12 knowledge, did you ever know that Judge O. P. Carrillo
13 employed county vehicles, for example, tractors, on his
14 ranch?

15 A Yes, sir.

16 Q Would they come by the county warehouse and
17 pick up these vehicles?

18 A Yes, sir.

19 Q And you saw them leave?

20 A Yes, sir.

21 Q And you know for a fact that they were being
22 used on his ranch?

23 A Yes, sir.

24 Q What would he use them on his ranch for, Mr.
25 Gonzalez?

1 A Well, tractors or D-8 Cats, they were clearing
2 land that he—improving his land, his ranch land.

3 Q The county was in possession of caterpillars,
4 D-8 Caterpillars?

5 A Yes.

6 Q What other use were these tractors put to, Mr.
7 Gonzalez?

8 A By the county or by Carrillo?

9 Q Did the county use them?

10 A Yes, sometimes, to make caliche for the county
11 roads.

12 Q Do you know if Judge O. P. Carrillo presently
13 is in possession, or if not the owner, of a D-8 Cater-
14 pillar?

15 A I think he's got two D-8 Cats right now. One
16 of them is still working at his ranch land. The other
17 one is in the county shop at San Diego, Texas, to be re-
18 paired.

19 Q Is it in San Diego or in Benavides?

20 A In San Diego.

21 Q It's being repaired in San Diego?

22 A I think so, yes.

23 Q Are these tractors used for county purposes?

24 A No, sir.

25 Q They are his personal tractors?

1 A I don't know. I think they are rented from
2 Plain Machinery, and somehow this rental is paid by
3 County Commissioner of Precinct No. 2, Juan Leal. I
4 think County Commissioner Juan Leal—his precinct pays
5 about two thousand or three thousand dollars a month, I
6 don't know that.

7 Q Mr. Gonzalez, I would like to ask you some ques-
8 tions in reference to county paychecks, which might have
9 been cashed at the Farm and Ranch Supply Store. Were
10 checks ever cashed at the Farm and Ranch Supply Store
11 owned by Judge O. P. Carrillo and his brother, Ramiro—
12 were there checks ever cashed with payees, or persons who
13 were being paid by these checks, who to your knowledge
14 do not exist or live in the Benavides area?

15 A Yes, sir. I think so.

16 Q Let me rephrase my question.

17 A payee on a check is the person who is the
18 recipient of the check. Did you ever see a check, or
19 did you ever cash checks at the Farm and Ranch Supply
20 Store where you worked on which the payees, the persons
21 who were being paid, did not live or exist as far as you
22 knew?

23 A Yes, I guess I did. Yes.

24 Q To the extent of what amount per month, Mr.
25 Gonzalez? Approximation.

1 A Well, some were made up two hundred, two fifty.

2 Q And the total amount per month, what would be
3 the average in your estimation?

4 A Well, I'm going to go to about six or eight
5 hundred dollars.

6 Q Payees who in your opinion were fictitious
7 because you knew they did not live there?

8 A Yes, sir.

9 Q And that as far as you knew, did not exist?

10 A Yes, sir.

11 Q Let me ask you, Mr. Gonzales, did the payees
12 on these checks have full names, or did they just have
13 a "Mr. Garcia," similar to these things, or just a "Mr.
14 So-and-So" without using a first name?

15 A Well, some of them had just initials, like
16 C. Perez, C. Cavaces, and some of them had the full name.

17 Q Did Mr. O. P. Carrillo ever bring you any county
18 checks to cash there for payees who you knew didn't exist?

19 A (No response)

20 ~~Q~~ To the best of your knowledge. If you don't
21 remember, I would tell the Committee, "I don't remember."

22 A I think he did. Yes.

23 Q You think?

24 A Yes, sir.

25 Q Was it with regularity, or just on occasions?

1 A Just on occasions.

2 MR. CANALES: Mr. Chairman, I think I have
3 tried to cross examine this witness to allow the Committee
4 to get the gist of the scheme which was being employed.
5 I hope the Committee would understand that we have not
6 gone into the details of each individual transaction, but
7 I'm trying to show you a general scheme for defrauding
8 the county, the school district, the water district and
9 the city, through a Zertuche General Store, which is only
10 a paper entity, has never existed, and the funds were being
11 transferred into the Farm and Ranch Supply, some of the
12 invoices representing merchandise actually distributed,
13 some representing no merchandise at all, and some repre-
14 senting merchandise which was in fact resold back, after
15 it had already been purchased by the County Commissioner's
16 Court, and delivered to this warehouse to be stored there.
17 It was later resold to the governmental entities and to
18 the general public.

19 At this time I would hope that the Committee
20 would take up whatever questions that they deem appropriate
21 of this witness.

22 CHAIRMAN HALE: Thank you, Mr. Canales.

23 Let the Chair ask you a few questions, Mr.
24 Gonzalez.
25

1 BY CHAIRMAN HALE

2 Q What period of time does your testimony cover
3 here? You said you worked for the County of Duval.
4 When did you go to work for Duval County?

5 A In the early 1960.

6 Q And then when did you terminate your employ-
7 ment with Duval County?

8 A Well, I think I'm still employed, but I don't
9 know. I read in the paper on April the 30th that all
10 the county employees were fired, or—not fired, were
11 laid off; and that later on they would tell us who was
12 hired, and I went to check over in San Diego on that
13 payroll list and my name was not there, so I don't know
14 yet. They didn't say anything to me.

15 Q Well, from 1960 up until at least sometime
16 this year you were an employee of Duval County?

17 A Yes, sir.

18 Q About 15 years?

19 A Yes, sir.

20 Q And you drew \$250 a month during that entire
21 time?

22 A No. I worked for about two fifty for about
23 ten or twelve years. Then they raised me to four hundred.
24 Then last year I went and told the District Judge—I
25 mean the County Judge, Archer Parr, that I was going to

1 quit working for the Carrillos, that I was going to thank
2 him for what they had helped me. And he asked me why
3 was I quitting. I told him that I was getting in too
4 much trouble.

5 Q Were you paid money other than your check from
6 Duval County during this period of time?

7 A No, sir.

8 Q Did you draw any money out of the Farm and Ranch
9 Store?

10 A No, sir.

11 Q Did you draw any money out of the Zertuche
12 General Store?

13 A No, sir.

14 Q Was this salary you received from Duval County
15 supplemented in any way from any source?

16 A Yes.

17 Q What source?

18 A Well, I mean I've got a little ranch of my own.

19 Q Nothing pertaining to Carrillo?

20 A No. No, sir.

21 Q In no way? No funds you received of any kind
22 from Carrillo?

23 A No, sir. No, sir.

24 Q Or anyone purporting to act for them or on their
25 behalf?

1 A No, sir. They never gave me nothing.

2 Q Now, was there a store known as the Farm and
3 Ranch Store?

4 A Yes, sir.

5 Q Where was it located?

6 A Right there in the same place, where that
7 County Commissioner had his office and his yard.

8 Q What was the nature of the Farm and Ranch Store?

9 A Well, we had auto parts and hardware, seeds.

10 Q Is that the same as "Farm and Ranch Supply"?

11 A Yes, sir.

12 Q And this photocopy here of the State of Texas
13 Store License shows that the owner's name was O. P. and
14 R. D. Carrillo?

15 A Yes, sir.

16 Q Who is O. P. Carrillo?

17 A Our District Judge here.

18 Q District Judge. Who is R. D. Carrillo?

19 A His brother, County Commissioner.

20 Q All right. What's his first name?

21 A Ramiro.

22 Q Is Ramiro and O. P. brothers?

23 A Yes, sir.

24 Q Are they related to Oscar Carrillo?

25 A Yes, sir.

1 Q What are their relationship?

2 A Brothers.

3 Q They're brothers. There are three brothers?

4 A Yes, sir.

5 Q And the Farm and Ranch Store was owned by O. P.
6 and R. D. Carrillo?

7 A Yes, sir.

8 Q Would you call it a sort of a general merchan-
9 dise store?

10 A Yes, sir.

11 Q Were you employed in that store at any time?

12 A Well, I worked there but I would never get
13 paid for it.

14 Q You worked there but were paid from Duval County
15 funds?

16 A Yes, sir.

17 Q Were you paid any money from any of the other
18 governmental entities down there?

19 A No, sir.

20 Q Benavides Independent School District?

21 A No, sir.

22 Q Now, if I understand your testimony—and I
23 want you to follow me closely on this—you were told
24 that the Farm and Ranch Store could not sell merchandise
25 to these governmental agencies. Is that right?

1 A Right, sir.

2 Q Why could you not sell to these governmental
3 agencies?

4 A Because Mr. Carrillo here was County Attorney
5 at that time. Ramiro Carrillo was the—well, he wasn't
6 County Commissioner then, but he used to work for the
7 County, and he was the City Alderman, and Mr. O. P. Car-
8 rillo here was a School Board Member, so he said it would
9 be better for me not to make any invoices out at Farm and
10 Ranch, because of nepotism or something.

11 Q All right. But you sold merchandise out of
12 Farm and Ranch Store to these governmental agencies even
13 so? Is that right?

14 A Well, I sold it to the Zertuche General Store.

15 Q Well, I'm saying, the merchandise came from
16 the Farm and Ranch Store. Is that correct?

17 A Yes, sir. Yes, sir.

18 Q And you delivered it to the various govern-
19 mental agencies on their orders?

20 A Yes, sir.

21 Q But the payments for that were made to Zertuche
22 and not to Farm and Ranch?

23 A No, sir. It was made to Zertuche, yes sir.

24 Q Is that correct?

25 A Yes, sir.

1 Q You would submit invoices to these governmental
2 agencies?

3 A Yes, sir.

4 Q The invoice would appear to be from Zertuche
5 General Store?

6 A Yes, sir.

7 Q The check on the governmental agency would come
8 back and the payee on that check would be Zertuche Gen-
9 eral Store?

10 A Yes, sir.

11 Q You would deposit that check to a bank account
12 in the name of Zertuche General Store?

13 A Yes, sir.

14 Q Then you wrote checks on the account of Zer-
15 tuche General Store and transferred the money to the
16 Farm and Ranch Store?

17 A Right, sir.

18 Q Is that correct?

19 A Yes, sir.

20 Q And then at various times you drew checks on the
21 Farm and Ranch Store to Carrillo?

22 A Yes, sir.

23 Q Is that correct?

24 A (The witness nodded.)

25 Q Did I understand your earlier testimony to the

1 effect that a lot of the material that was in the Farm
2 and Ranch Store there was not the property of the Carrillos,
3 but belonged to Duval County?

4 A Well, yes, because we sold—you see, Mr. Carrillo
5 would go and get a load of cedar posts and he said for me
6 to bill the county for it. Let's say he bought about a
7 thousand posts, so I billed the county for it.

8 Q What happened to the posts?

9 A Well, they were put on that county yard.

10 Q Where did the posts come from?

11 A From somewhere around here, Austin, or right
12 around here, somewhere around here.

13 Q Well, how did the county—how did the county
14 get to the point where it paid for this material on two
15 different occasions? Explain that to me.

16 A Well, like I said, a lot of these other county
17 commissioners would go to Benavides, like Precinct No. 2
18 would go and say "I need a hundred posts and ten rolls
19 of barbed wire." And I asked Mr. Carrillo what I do,
20 and he said "Just give them to him and bill them to him."
21 So I did it.

22 Q And that was material that was already owned by
23 one precinct?

24 A Yes, sir. I think so.

25 Q And you would transfer it to another precinct

1 and bill the county again?

2 A Yes, sir.

3 Q And who would the check be payable to?

4 A To Zertuche and then transferred to the Farm
5 and Ranch.

6 Q How much money are we talking about on trans-
7 actions like that?

8 A Well, a hundred posts I guess, when we first
9 started they were sold at about eighty cents a post, or
10 less. I'm just quoting prices; I don't remember. Or
11 a dollar, ten. And about ten rolls of wire at sixteen
12 dollars a roll. That would amount to about two hundred
13 some dollars, or something like that.

14 Q Who is Arturo Zertuche?

15 A Well, he is related to the Carrillos.

16 Q What is the relationship, if you know?

17 A His cousin, but I don't know how close.

18 Q And he is a young fellow?

19 A Yes, sir.

20 Q How old would you guess?

21 A About twenty-six.

22 Q What college was he attending at the time these
23 transactions occurred?

24 A Somewhere in Denton. I don't know. Denton
25 College.

1 Q And he was ostensibly the owner of the Zertuche
2 General Store?

3 A I guess so.

4 Q Did he receive any of this money?

5 A Well, he drew some checks for car payments and
6 other things that he needed. Yes, I think he did.

7 Q Did he have a signature card on the Zertuche
8 General Store account, so he could sign checks?

9 A I guess. The bank went ahead and authorized
10 it whenever I took checks there and accepted them. I
11 guess they did.

12 Q Did anybody else draw checks on this account?

13 A Yes. Mr. Carrillo here.

14 Q Judge Carrillo?

15 A Yes, sir.

16 Q On the Zertuche General Store?

17 A Yes, sir.

18 CHAIRMAN HALE: Do we have any of those
19 checks, Counsel?

20 MR. CANALES: Mr. Chairman, I am not fully
21 aware of where they're at, but I think the Federal Govern-
22 ment may be in possession of most of them and it would
23 be most difficult to retrieve them.

24 CHAIRMAN HALE: I dare say.
25

1 BY CHAIRMAN HALE

2 Q What bank were these accounts in?

3 A First State Bank of San Diego.

4 Q Do you know whether or not that bank microfilms
5 all of its instruments and records on a daily basis?

6 A I guess they do.

7 Q You don't know? Do you know for sure, or not?

8 A No, I don't know.

9 CHAIRMAN HALE: Do you know, Counsel,
10 whether they microfilm their records?

11 MR. CANALES: I'm not aware, Mr. Chair-
12 man, but I would imagine that probably the banking regula-
13 tions do require them to carry some type of permanent
14 record of the checks. However, the availability of the
15 checks, we could ask Judge O. P. Carrillo, who is proba-
16 bly in possession of them.

17 CHAIRMAN HALE: Well, we're not in a posi-
18 tion to ask him any questions at this point in time,
19 Counsel, as you well know.

20 BY CHAIRMAN HALE

21 Q Now, Mr. Gonzalez, I would like for you, if
22 you would again, to tell me about these food orders,
23 with particular reference to how did Judge Carrillo prof-
24 it by these food orders, which ostensibly bear his signa-
25 ture. I believe there are some of them floating around

1 here.

2 What happened to that envelope with those—

3 MS. WEDDINGTON: Right here, Mr. Chairman.

4 BY CHAIRMAN HALE

5 Q These orders here, which ostensibly bear what
6 appears to be an initial on it. How did the Judge profit
7 from these?

8 A Well, he got some groceries from the store.
9 And then at the end of the month, Mr. Yzaguirre, all
10 that merchandise came from the Cash Store at Benavides,
11 Texas. And Mr. Yzaguirre would go at the end of the
12 month and tell me, "Mr. Gonzalez, O. P. got this mer-
13 chandise and he said for me just to bring this here and
14 for you to make some welfare orders," and that's all.
15 So I made them. And I asked Ramiro Carrillo—he's the
16 one in charge of that welfare orders,—I asked him and
17 he said "Okay. Just make them out. And whenever you
18 get through making them out, take them back to the
19 store." So I would make those welfare orders, took them
20 back to the store, and the store owners would give them
21 back to Mr. Carrillo and Mr. Carrillo would take them to
22 the Commissioner's Court and get them approved.

23 Q All right. And the county would pay for them
24 then?

25 A Yes, sir.

1 Q You didn't write those checks, did you, from
2 the county? You didn't sign the county checks?

3 A No, sir.

4 Q Who signs the county checks?

5 A Well, the county treasurer and the county clerk,
6 I guess.

7 Q So it's your testimony that many of these food
8 orders on here represented food that Judge Carrillo him-
9 self took for—

10 A Yes, sir.

11 Q —for his own use?

12 A Yes, sir.

13 Q And then later the county paid for it?

14 A Yes, sir.

15 Q Now, you also testified to the fact that there
16 were some checks drawn on the Farm and Ranch Store to fic-
17 titious payees. Is that correct?

18 A Yes, sir.

19 MR. CANALES: Mr. Chairman, I don't be-
20 lieve that that is what the statement was. The checks
21 that were drawn on the Farm and Ranch Store were the ones
22 that were distributed. The checks, warrants of the
23 county, paying county employees supposedly, were the
24 ones that were cashed at the Farm and Ranch Store.
25 County checks, for example, an employee of the county

1 would go down to the Farm and Ranch Store and cash his
2 monthly paycheck or his weekly paychecks. These were
3 the types of checks that were being cashed, that the
4 evidence was referring to.

5 CHAIRMAN HALE: And the payee on the county
6 checks would be a fictitious payee?

7 MR. CANALES: According to what he has
8 related to me, yes. In his opinion, they were—

9 BY CHAIRMAN HALE

10 Q Is that right, Mr. Gonzalez?

11 A Yes, sir.

12 Q There would be county checks issued and the
13 payee on that check would be a fictitious payee?

14 A Yes, sir.

15 Q But you would cash those checks?

16 A Yes, sir.

17 Q Who would get the cash?

18 A I will.

19 Q And then what did you do with the cash?

20 A I would bring it over and give it to Ramiro
21 Carrillo or O. P. Carrillo.

22 Q Did that happen on many occasions?

23 A Yes, sir.

24 Q Over what period of time?

25 A Well, let's say about four or five years, back.

1 Q And in varying amounts of money, I assume?

2 A Yes.

3 Q Usually more than a hundred dollars in each
4 check?

5 A Yes, sir. About two hundred dollars.

6 Q What were those supposedly for, paychecks?

7 Were they payroll checks on the county?

8 A Those were claim checks, for people that worked
9 about a week or two.

10 Q And the county would issue a check in payment
11 for those services, ostensibly?

12 A Yes, sir.

13 MR. CANALES: Mr. Chairman, there is a
14 system—I don't know if it's statewide—but in the coun-
15 ties in my particular area, because of the impoverished
16 condition of most of them, they only hire people when the
17 need arises, instead of maintaining steady employees month
18 in and month out.

19 For example, if there is work to be done on a
20 particular road they will hire people until such time as
21 the work is completed and then they let them off. So
22 it would be similar to contract labor, for example.

23 CHAIRMAN HALE: I see. Thank you, Counsel.

24 Mr. Maloney?

25

1 BY MR. MALONEY

2 Q Mr. Gonzalez, how old are you?

3 A Forty.

4 Q And you said that you lived in Benavides all
5 your life?

6 A Yes, sir.

7 Q Are you a married man?

8 A Yes, sir.

9 Q How many children do you have?

10 A Three.

11 Q You said you have a ranch?

12 A Just a small ranch. Yes.

13 Q How small?

14 A About 80 acres.

15 Q Where did you get that?

16 A I bought it.

17 Q When?

18 A I bought one about '68. I bought about 16
19 acres in a place, or 16 to 20 acres, I guess.

20 Q You said that you bought one. Do you have
21 more than one ranch?

22 A Yes. I've got another one, about 20-some
23 acres in another one, about 20-some acres.

24 Q Do you have any more than that?

25 A No, sir. That's all I've got.

1 Q When did you get the other one?

2 A I bought it about five years ago.

3 Q Do you have any independent wealth of your
4 own?

5 A Well, the first land I bought was when my
6 father passed away, he left us an insurance premium that
7 was divided into—we were only two—I and my sister and
8 my mother, you know. We divided what he left us in three.
9 And I bought the first land I bought, I bought it with
10 the money my mother gave me from my father's insurance.

11 Q And that was when?

12 A About March of 1968. No, it was later than
13 that. My father passed away in January 1968, I guess.

14 Q Would this be the first ranch?

15 A I bought it a few months later, or a year later.

16 Q And how much did you pay for that ranch?

17 A A thousand dollars.

18 Q Was this the first ranch you bought or the
19 second ranch?

20 A Yes, sir.

21 Q Yes, it was the first ranch?

22 A Yes, sir.

23 Q And how much did you pay for your second ranch?

24 A Well, the second ranch belonged to my uncle.
25 It was inherited by my mother's father, so I bought just

1 little by little. I used to give him about—I paid about—
2 well, each brother got about four acres, so I gave him
3 about \$350 each. I haven't paid him all yet. I still
4 owe my mother and another aunt.

5 Q Were you full-time at this Farm and Ranch Store?

6 A Yes, sir.

7 Q Did you ever get any chance to work your ranch,
8 or did you—

9 A Yes, sir. I used to—every day after work.

10 Q Were there any other employees at the Farm and
11 Ranch Store?

12 A Yes, sir.

13 Q How many?

14 A Well, that were paid by the Farm and Ranch, or
15 just that stayed—

16 Q Well, let's see how many there were first.

17 A One.

18 Q And who was that?

19 A It was—he's deceased now—Pat Gonzalez.

20 Q Is he any relation to you?

21 A No, sir.

22 Q Was there anyone else besides Pat Gonzalez
23 who worked with you?

24 A No, sir.

25 Q What were his duties?

1 A Just the same thing that I did. He used to
2 serve the trucks with gasoline and give them out what-
3 ever they needed. He was kind of a warehouseman, too.

4 Q Did he handle any of this money the way you did?

5 A No, sir.

6 Q Was he an older man, or a younger man?

7 A He was an older man.

8 Q Now, as I understand your testimony, you said
9 that "They told you to take this property that was on
10 the location of the Farm and Ranch Store, and when you
11 sold it to the county, the county people came by and picked
12 it up." Is that correct?

13 A Yes, sir. Yes, sir.

14 Q And they told you to bill it to Zertuche and
15 then Zertuche would bill the county?

16 A Yes, sir.

17 Q Is that correct?

18 A Yes.

19 Q Now, every time you are saying "they" who are
20 you talking about?

21 A Who picked up the merchandise?

22 Q No. Who is it that told you each of these
23 times? You said, "They told me." Who do you mean by
24 "they."

25 A Ramiro Carrillo.

1 Q It was not O. P. Carrillo?

2 A Yes, I guess he told me once. Yes, sir.

3 Q When was that that he told you once?

4 A Well, I can't give you the exact date.

5 Q How long ago?

6 A Well, let's see. More or less, about four or

7 **five or six years.**

8 Q Do you recall the occasion?

9 A Sir?

10 Q Do you recall the occasion?

11 MR. CANALES: Do you remember the time?

12 A Yes.

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Tape 2-A

1 BY MR. MALONEY:

2 Q When you would receive money from the county
3 payable to Zertucho, this would be a county warrant
4 paid to Zortuche. Is that correct?

5 A Yes, sir.

6 Q And you would be the one that would receive it?

7 A Yes, sir.

8 Q And you would deposit it in the bank?

9 A Yes, sir.

10 Q How would you do that? Would you sign some-
11 one's name on the back of it or what?

12 A I just wrote, "For deposit only, Zertuche
13 General Store, by me," and I used to sign it by me.

14 Q So your name would appear on the back?

15 A Yes, sir. On all of them, the ones that I
16 deposit. Yes, sir.

17 Q How did you get the money out of Zortuche,
18 out of the bank that was in Zertuche's account, paid to
19 Fern and Roach Store?

20 A I was given about ten or twelve signed checks
21 from Arturo, and I do the writing myself.

22 Q So you could not write a check on that account.
23 Is that correct?

24 A Well, I couldn't sign it. They were already
25 signed. I just fill them out.

2a-2
1 Q All right. Then when it was cashed would you
2 get cash out of the Zertuche bank account?

3 A No, sir, I never did. Not that I remember.
4 No, I don't think I did. Never.

5 Q How did you ever put anything in the Farm and
6 Ranch Store then?

7 A Well, I would write a check from the Zertuche
8 Store to Farm and Ranch Supply.

9 Q I thought you said you couldn't write the
10 check. Or do you mean that you would write it and some-
11 one else would sign it?

12 A The checks were already signed. They were
13 given to me signed. I just fill them out, with the
14 amount and whoever it was paid to.

15 Q And then you would deposit those in the Farm
16 and Ranch Store?

17 A Yes, sir.

18 Q Would you sign anything on the back of those?

19 A Yes. "For deposit only, Farm and Ranch Supply,
20 by me."

21 Q Now, I believe the next step was, you would
22 take the money out of the Farm and Ranch Store and give
23 that money to someone. Is that correct?

24 A Whenever I was instructed to do so. Yes.

25 Q Could you sign on that bank account?

2a-3

1 A No, sir. Ramiro Carrillo was the only one
2 who could sign there. I don't know if Mr. O. P. Carrillo
3 signed. I never did see a check signed by him. I had
4 to get a check signed by Ramiro Carrillo.

5 Q So they would do the same thing again, give
6 you a check that was already signed for you to get the
7 money out?

8 A Yes, sir.

9 Q How far was this bank from your place of
10 business?

11 A About sixteen miles.

12 Q Did you have to leave the premises to go to
13 the bank?

14 A Yes, sir.

15 Q And after you would get the money out, then
16 what would you do with the money?

17 A Bring it back to Ramiro or O. P. Carrillo.

18 Q Did you actually give money to O. P. Carrillo?

19 A Yes, sir.

20 Q On one occasion, a few occasions, or many
21 occasions?

22 A Many occasions.

23 Q Over this entire period of time that you've
24 testified about?

25 A Yes, sir.

2a-4

1 Q Would that be correct?

2 A Yes, sir.

3 Q Now then, these white slips that you have
4 given us, I'm not sure that I understand exactly how
5 those worked. Did you say that the grocery store
6 owner would bring those to you?

7 A Yes, sir.

8 Q One, or were there several grocery store
9 owners, or one grocery store owner?

10 A Well, on this occasion only one store owner.

11 Q And what is his name?

12 A Lauro Yzaguirre. He's the owner of the Cash
13 Store.

14 Q The Cash Store?

15 A Yes, sir.

16 Q Is he still thereabouts?

17 A Yes, sir.

18 Q What did he tell you when he would bring you
19 these?

20 A He said, "O. P. Carrillo gave me those orders
21 and he wants you to make some welfare orders and take
22 them back to him." And I would have to ask— I wouldn't
23 do it until I asked Ramiro Carrillo for permission. I
24 would ask Ramiro, "Is it okay for me to make these
25 orders?" He would say, "Yes, go ahead and make them.

20-5 1 Take them back to him and I'll pick them up later.

2 Q I notice that all of these white slips are
3 in the amount of twenty dollars even.

4 A Yes, sir.

5 Q Is that always the way that it's done?

6 A Yes, sir.

7 Q They are always for twenty dollars, not matter
8 how many there are?

9 A Sometimes they were made for thirty-five.

10 Q It's always even money?

11 A Yes, sir.

12 Q And they always have this signature on them
13 that you've shown us?

14 A Yes, sir.

15 Q When you get those from the store owner what
16 do you do with them?

17 A After I make those orders?

18 Q No. When the store owner brings them to you,
19 what is the next thing that you do?

20 A The county orders or these white slips here?

21 Q No. The grocery store man that brings you
22 the white slip.

23 A Yes.

24 Q Now, he brings those to you?

25 A Those white slips. He brings those. Yes.

2a-6

1 Q Now what do you do with them?

2 A I would make a county welfare order and write
3 all these names, all I could on one page, and take them
4 back to him.

5 Q Would you take the white slips with your
6 county order?

7 A No, sir. Those white slips, I just throw them
8 away.

9 Q But you didn't throw these away?

10 A No. I kept them for some reason.

11 Q What reason?

12 A I knew I was doing something wrong and maybe
13 I was going to get in trouble one of these days, and I
14 wanted some evidence.

15 Q How old are these? I notice they're not dated.

16 A They're not very old. About a year and a half
17 old.

18 Q You've kept them for a year and a half?

19 A Yes, sir. Or maybe more. I don't know. But
20 I kept a bunch for some reason.

21 Q There was not any testimony as to where this
22 came from and what this represents. Could you tell us
23 something about it?

24 A Those are the invoices I used to make, and
25 that yellow sheet is a statement.

2a-7 1 Q Does it represent a real statement that you
2 sent to someone?

3 A Yes, sir. Yes.

4 Q And who did you send this statement to?

5 A Well, at first I wasn't— They rented a box
6 number. Do you see that box number at the top?

7 Q Yes.

8 A Well, at first they said for me to make a
9 statement and send it to that box number. Then I had
10 to go to the post office and get the mail out. It was
11 coming back to me.

12 Q All right.

13 A So I just stopped doing that. Then I just
14 kept them. I make two copies. I kept the original,
15 and then the other one I just wait, like, for the Water
16 District, I gave it to the guy in charge of the Water
17 District; to the county, I gave it to the County Commis-
18 sioner. If it's for the school I take it to the Tax-
19 Collector or to the school office. I didn't have to do
20 it. I did it myself.

21 Q Then when you went to the box and retrieved
22 those from the box, like you say, you'd sent it to
23 yourself, what did you do with it then?

24 A I didn't know what to do, so I asked him,
25 "What am I going to do? It's like putting mail and

2a-8

1 then getting it back." He said, "Well, give it out to
2 those foreman," you know, to each of the governmental
3 foreman. So I quit sending them by mail. I just gave
4 it to them at the end of the month. I would give it
5 to the County Commissioner, his copy, to the Water
6 District, to his foreman, or to the school, I would
7 just take it to the school office, to the City, I would
8 take it to the City office.

9 Q What would you do with this copy?

10 A With the copy?

11 Q Correct.

12 A I left the copy until I got paid.

13 Q All right. You kept the copy until you got
14 paid?

15 A Until I got paid. Yes, sir.

16 Q I notice that what you have given us here
17 is a copy from this.

18 A Yes, sir.

19 Q But these invoices that you have attached are
20 all originals?

21 A I make sure to keep the originals on the
22 invoices. I didn't care about that statement. I sent
23 them the copies so they wouldn't add anything to it.

24 Q So they wouldn't add anything to it?

25 A Yes. That's how come I kept the original

1 invoices because I knew they couldn't add anything to
2 the copies, and I sent in the statement copy so they
3 wouldn't add— I knew they couldn't because it's not
4 the original.

5 Q You were concerned that the county was going
6 to cheat you?

7 A Well, I don't know.

8 Q Why did you keep this particular invoice?

9 A For the same thing I did the other one.

10 Q This is an invoice that indicates that it
11 was paid in March 11, of 1971.

12 A Yes.

13 Q Were you keeping things at that time because
14 you were afraid you were going to get in trouble?

15 A Yes, sir. That's when I started getting
16 suspicious, and I started to quit the job but I couldn't.
17 I couldn't find a good job. I didn't want to go out
18 from Benavides.

19 Q I just have one or two more questions, Mr.
20 Gonzalez. You said that on occasion you cashed checks
21 for people who did not exist?

22 A Yes, sir.

23 Q These were checks drawn on the county?

24 A Yes, sir.

25 Q Who gave you the checks?

2a-10

1 A Ramiro Carrillo, the county commissioner. ✓

2 Q In other words, the people who were supposed
3 to get the money did not present you the checks?

4 A No, sir.

5 Q Were the checks endorsed on the back?

6 A Yes, sir.

7 Q What did you do with these checks? ✓

8 A I, at first, when we first started, the county
9 commissioner would tell me, "Go to the bank and deposit
10 the check that you have and bring me this cash." So I
11 did it. What I did, you see, I didn't deposit those
12 checks. I just wrote "Farm and Ranch Supply" and my name
13 on the back. I just did that about two times, and then
14 I got suspicious again, and I said, "I'm not going to do
15 that anymore. What I'm going to do is, I'm going to go
16 ahead and deposit everything that I've got and then make
17 me a check for the cash I'm going to bring back."

18 Q Wait a minute. You decided then, once again,
19 that you might be getting into some trouble. Is that
20 correct?

21 A Yes, sir.

22 Q And then you decided you would deposit these
23 checks rather than just cash them?

24 A Yes, sir. And I wrote, "For Deposit Only,
25 Farm and Ranch Supply," by me.

o-11 1 Q And you deposited them in what account?

2 A Farm and Ranch Supply.

3 Q Then how did you get the money back out?

4 A I had a check signed by Mr. Carrillo.

5 Q So you would just deposit them and then present
6 one of these checks. Is that correct?

7 A Yes, sir. Have him sign a check. He didn't
8 like it. He said that he was getting in trouble with
9 the income tax. I told him, "Well, I'm— I didn't tell
10 him anything, but I told myself, "I'm getting in trouble
11 bringing that cash. Maybe one of those days somebody is
12 going to blame it on me that I'm having this cash for
13 my own use."

14 Q Now who was it that gave you these checks?

15 A Ramiro Carrillo.

16 Q Did C. P. Carrillo ever give you any of these
17 checks?

18 A Yes, sir.

19 Q When was that?

20 A I can't give you the exact date.

21 Q About whom?

22 A The same between those years that I worked
23 there.

24 Q This would be somewhere in the '60's up until
25 1975?

2a-12

1 A No. Later on. About the '70's. Let's say,
2 the '70's. Late '60's or early '70's.

3 MR. MALONEY: Thank you, Mr. Gonzalez.

4 CHAIRMAN HALE: Mr. Slack?

5 BY MR. SLACK:

6 Q During this period of time, Mr. Gonzalez,
7 did you perform any duties for the county?

8 A Yes, sir.

9 Q You went to work at the store every day?

10 A Every day. Yes, sir.

11 Q And then, what did you do for the county?

12 A Well, I was a warehouseman. I gave anything
13 to those workers. Sometimes Carrillo would tell me in
14 the morning to give instructions to the workers, what to
15 do when he was not there, and give them tools or what-
16 ever they needed, or parts.

17 Q I don't understand. The place where you
18 worked, though, the store, was not on county—wasn't
19 a county warehouse or county property, was it?

20 A It was the county warehouse and Mr. Carrillo
21 had his county office right there too. It was all
22 together.

23 Q I see. But it was still called—

24 A The Farm and Ranch Supply.

25 Q Farm and Ranch Supply?

2a-13

1 A Yes, sir.

2 Q But the premises were owned by the county?

3 A No. By Mr. Carrille here. I think. I don't
4 know.

5 Q I see. But the county just used it as a
6 warehouse. Is that right?

7 A Yes, sir.

8 Q Along with the store, and they had hardware
9 and various supplies of that nature?

10 A Yes, sir.

11 Q Along with county equipment, and tools and
12 that sort of thing?

13 A Yes, sir.

14 Q More or less coninglod then. Is that what
15 you're saying?

16 A Yoo, sir.

17 Q So in reality you would sometimes perform
18 duties for the county and sometimes—

19 A I always did. I worked all day there. Every
20 minute somebody would come and they would want something
21 or somebody would call that they needed the commissioner
22 for this and that, or they needed calicho somewhere. I
23 was kind of a secretary and everything I did.

24 Q But what I'm trying to get at is that there is
25 no distinction between your duties with the county and

2a-14

1 your duties as the manager of the store?

2 A No, sir. It's a very small town and there is
3 not very much business there. I mean, I could do it.
4 Yes, sir.

5 MR. SLACK: I have no further questions,
6 Mr. Chairman.

7 CHAIRMAN HALE: Mr. Hendricks?

8 BY MR. HENDRICKS:

9 Q I have one or two questions, Mr. Gonzalez.
10 Was the county depository also this First State
11 Bank at San Diego?

12 A Yes, sir.

13 Q And all the county warrants were drawn on the
14 First State Bank in San Diego?

15 A I guess so. Yes, sir.

16 Q Now while you were performing your duties for
17 the county, did you also work privately for this Farm
18 and Ranch Store? Did you make sales and transactions?

19 A Yes, sir.

20 Q Were you and O. P. Carrillo good friends?

21 A Yes, sir. I was born and raised with him.

22 Q Those white slips, Mr. Gonzalez, have you ever
23 seen any of them paid or seen the warrants or vouchers
24 that were issued in payment of those? Those are merely
25 white slips.

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A Yes, sir.

Q Have you ever cashed the vouchers?

A No, sir. No, sir.

Q Now this statement here, was this an actual transaction? Did you actually sell this merchandise?

A Yes, sir.

Q Who did you sell the merchandise to?

A To whoever the name at the top is. Several government agencies.

Q I see most of these went to the Benavides Independent School District.

A Yes.

Q You issued the statement from the Zertuche General Store. Is that correct?

A Yes, sir.

Q And the merchandise came out of the Farm and Ranch Supply?

A Yes, sir.

Q And the check was made payable to Zertuche General Store?

A Yes, sir.

Q And you deposited that check in the Zertuche account?

A Yes, sir.

Q And then from there the money went elsewhere,

1 or you drew checks on it, or the Carrillos drew checks
2 on it.

3 One thing, you state that the judge used
4 county equipment on his private ranch, dump trucks and
5 so on and so forth, or trucks in hauling his grain.

6 When was this?

7 A Well, I say, a lot of times.

8 Q When was the most recent time you can remember?

9 A Every month.

10 Q Well, last month?

11 A Well, since I started working there, to up to
12 Nov.

13 Q Now, you stated on one occasion you reported
14 that a truck was coming in loaded with the judge's grain.
15 Is that correct?

16 A Yes, sir.

17 Q And you reported that to the Department of
18 Public Safety?

19 A Yes, sir.

20 Q Do you remember the officer's name you reported
21 it to?

22 A No, sir.

23 Q How long ago was this?

24 A Last year.

25 Q What made you report it to the Department of

2a-17

1 Public Safety?

2 A Well, they started getting after us for some
3 things we were trying to help the people for our commun-
4 ity. That's how come I'm testifying here, to help our
5 people of our community.

6 Q Did you talk to the highway patrolman person-
7 ally, or did you call him on the telephone?

8 A We talked to him; we saw him, me and a friend
9 of mine.

10 Q Who was the friend?

11 A Rueben Chappa.

12 Q This was ignored? They took no action whatso-
13 ever?

14 A They said they were. We kept on calling but
15 they didn't stop.

16 Q Did you call the highway patrol more than once?

17 A No. We thought that it was no use. We just
18 let them see if one of these days they were going to get
19 caught. I think they did once. I don't know. But they
20 didn't do anything.

21 MR. HENDRICKS: I believe that's all I
22 have at this time.

23 CHAIRMAN HALE: Mr. Nabers?

24 BY MR. NABERS:

25 Q Mr. Gonzalez, I'm interested particularly in

2a-18
1 things and events that happened during the time G. P.
2 Carrillo was judge. Okay?

3 A (No response.)

4 Q Did he ever tell you to bill the county for
5 supplies that was the county's supplies?

6 A Yes, sir.

7 Q Mr. Judge Carrillo told you this?

8 A Yes, sir.

9 Q All right, sir. That was done while he was
10 district judge?

11 A Yes, sir.

12 Q I notice on these invoices here, the Zertuche
13 General Stores, it says that you have hardware, janitorial
14 supplies, cement, auto parts, paint and tires. Now I
15 notice that one of the bills to the Benavides Independent
16 School District on March the 3rd of 1971, was for a
17 tractor rental.

18 A Yes, sir.

19 Q Could you tell me anything about that tractor
20 rental? Who owned the tractor?

21 A I don't know.

22 Q Did you write out this slip?

23 A Yes, sir.

24 Q This is in your handwriting?

25 A Yes, sir.

2a-19

- 1 Q Are all of these invoices in your handwriting?
- 2 A They are all in my handwriting. Yes, sir.
- 3 Q Why did you fill out this invoice showing
- 4 tractor rental to the Bonavides School District?
- 5 A Because I was instructed to do it.
- 6 Q Who instructed you to do it?
- 7 A O. P. Carrillo.
- 8 Q While he was district judge?
- 9 A Yes, sir.
- 10 Q What did he say? Do you recall?
- 11 A Well, this— Sometimes they get merchandise
- 12 out of that Farm and Ranch Supply.
- 13 Q Who?
- 14 A Mr. Carrillo, or his workers.
- 15 Q Now when you say "his workers," who do you
- 16 mean?
- 17 A Well, people that work for him.
- 18 Q All right. Do they also work for the county?
- 19 A I think they were paid by the county too.
- 20 Yes.
- 21 Q But they did a little work out at the ranch?
- 22 A Yes, sir.
- 23 Q Did one of these workers come in and rent
- 24 a tractor to use on the ranch?
- 25 A No, sir.

2a-20

1 Q All right. Where did this tractor come from?
2 Did the county have a tractor?

3 A Yes. They've got several tractors.

4 Q The General Store didn't have a tractor, did
5 it?

6 A I don't think so.

7 Q You see what I'm trying to find out is, why
8 a tractor rental for \$440 is paid out on March 3rd, 1971.
9 I'm trying to find out, you know, did this tractor do
10 work on the school district land?

11 A I don't think so.
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1 Q But Judge Carrillo said, "Gonzalez, you bill
2 the independent school district \$440 for tractor rental."

3 A Yes, sir.

4 Q What about two tires? Also the third day of
5 March, 1971. Did he say—

6 A Those tires were taken by the agriculture
7 teacher, Mr. Aldretti.

8 Q All right.

9 A They were delivered to him. I got them and I
10 delivered to him.

11 Q But in fact, were these Zertuche owned tires?
12 Did Zertuche company buy these tires?

13 A Farm and Ranch Supply did.

14 Q All right. Farm and Ranch Supply did?

15 A Yes, sir.

16 Q The County didn't buy them?

17 A No, sir.

18 Q These were Farm and Ranch Supply tires?

19 A Yes, sir.

20 Q All right. The agriculture teacher comes in
21 and says, "I need two tires."

22 A Yes, sir.

23 Q And you said, "Fine. I'll sell them to you
24 from the Zertuche store."

25 A Yes, sir.

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- 1 Q So you bill Zertuche store?
- 2 A Yes, sir.
- 3 Q Two tires?
- 4 A Yes, sir.
- 5 Q The agriculture teacher takes the tires?
- 6 A Yes, sir.
- 7 Q So they in fact got that merchandise?
- 8 A Yes, sir, they did.
- 9 Q Did they in fact get the tractor rental?
- 10 A Who?
- 11 Q The school district.
- 12 A I don't know.
- 13 Q Okay.
- 14 I see some bolts and washers here for the 2nd
- 15 of March. Do you know who got those?
- 16 A They were picked up by Mr. Ross.
- 17 Q All right.
- 18 A He didn't sign a ticket, so I hate to tell
- 19 him, "Sign a ticket, Mr. Ross," so I did it myself so
- 20 I would know who took the merchandise.
- 21 Q So this signature on this original is your
- 22 signature?
- 23 A Yes. I wrote it. Yes.
- 24 Q It's a notation—
- 25 A What does it say there?

3-3

1 Q It says, "for the baseball field."

2 A Yes. Yes. That's our superintendent. Mr.
3 Ross picked up the merchandise. Yes.

4 Q So you're saying that most of this merchandise
5 did in fact go to the school district?

6 A Yes, sir. Those people there that signed are
7 workers, bus drivers or janitors. Yes. If they're
8 signed there, they've got the signatures, don't they?
9 Yes, sir.

10 Q But this tractor rental deal, you don't know
11 whether the school district got it or not?

12 A I don't think so, sir. I never did see a
13 tractor working there. That belonged to Zertuche also.

14 Q Now, did the County have a tractor that maybe
15 it was the County's tractor that was working on the
16 school district?

17 A Probably.

18 Q But you're not saying yes or no?

19 A No.

20 Q Okay. You just don't know?

21 A I just don't know.

22 Q Okay. But you do recall Mr. O. P. Carrillo
23 telling you to fill out this invoice on the tractor
24 rental?

25 A Yes, sir.

CHAIRMAN HALE: What is the date of that?

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MR. NABERS: March the 3rd.

Q All right, Mr. Gonzalez, in operating the Farm and Ranch Supply, Mr. R. D. Carrillo was county commissioner at this time?

A Yes, sir.

Q This County barn in which the County supplies were kept in and the Farm and Ranch supplies were kept in, do you know who owned that barn?

A The barn is owned by Ramiro Carrillo.

Q Okay. And he's the county commissioner?

A Yes.

Q And he's R. D. Carrillo?

A Yes, sir.

Q Now then, have you ever seen these store license that we've been given copies of here?

A Yes, sir.

Q Were these store license nailed up on the wall or placed in the wall at this business?

A Yes, sir. That Farm and Ranch license. Yes, sir.

Q Did Zertuche have a farm and license store?

A Not in the place there. I don't know. I asked him once and he said that they did.

Q That they did?

A Yes, sir.

3-5

1 Q But you never have seen it?

2 A No, sir.

3 Q Did Zertuche ever pay any sales tax?

4 A I think they did. I don't know.

5 Q You didn't bother with the sales tax reporting?

6 A Not for them. No.

7 Q Did you bother with the sales tax reporting
8 for the Farm and Ranch Store?

9 A I sure did. Yes, sir. I used to make every
10 report every three months. Yes, sir.

11 Q You were kind of the manager of the Zertuche
12 store too, were you not?

13 A Yes.

14 Q Why didn't you make a sales report for them?

15 A I didn't care for that. I wasn't getting paid
16 for it.

17 Q You weren't getting paid for that?

18 A No. I don't care.

19 Q You said you were only getting paid for by
20 the county.

21 A Yes. That's right.

22 Q So why would you make it for the Farm and
23 Ranch Store?

24 A Because I was there. I was selling for Farm
25 and Ranch Supply, merchandise for Farm and Ranch Supply.

3-6

1 I knew that Farm and Ranch Supply had some merchandise,
2 so I did it.

3 Q But the fact that you sold these two tires
4 in the name of the Zertuche Store, that didn't make any
5 difference, no le hace, huh?

6 A No. Not to me.

7 Q Let me ask you this: Did the Zertuche Store
8 ever have any Whirlpool appliances?

9 A Yes, sir.

10 Q Why would it have some Whirlpool appliances?

11 A Well, we bought them from the Whirlpool whole-
12 saler.

13 Q So in fact the Zertuche did have for sale
14 Whirlpool appliances?

15 A We didn't have them on the floor plan. We
16 didn't have any there at the store. Whenever somebody
17 came in and wanted one I could order it.

18 Q But the Farm and Ranch Store didn't have any
19 of these appliances. Is that right?

20 A Well, once we had a washing machine and icebox,
21 but—

22 Q Did you order for the Zertuche General Store
23 some Whirlpool appliances for someone?

24 A Not that I remember.

25 Q Okay. But you do know you had a book there

3-7

1 you could order out of?

2 A Yes, sir.

3 Q Did you order these invoices and statements?

4 The forms.

5 A No. They were furnished for me.

6 Q They were furnished to you?

7 A Yes.

8 Q Who furnished them to you?

9 A Mr. Carrillo.

10 Q Judge Carrillo?

11 A Yes. He ordered them from a man from Laredo,
12 Texas, I guess. I can't recall his name.

13 Q But they were given to you?

14 A Yes, sir.

15 Q Do you have any invoices— Were they invoices
16 that showed the Farm and Ranch Store, were they the same
17 type invoices?

18 A The same thing.

19 Q Did you personally see or have you personally
20 seen County trucks on Judge Carrillo's property?

21 A Yes, sir.

22 Q While he was district judge?

23 A Yes, sir.

24 Q Let me ask you this: You stated previously,
25 I believe, that some of this money that came into the

3-8

1 Zertuche account that went into the Farm and Ranch Store
2 account, some of that money was spent for payment of
3 bank notes of Judge Carrillo. Is that correct?

4 A I guess so. Yes.

5 Q Well now, let's talk about what you know and
6 no guesses. Okay?

7 A Yes. Yes, sir.

8 Q Do you actually know?

9 A Yes.

10 Q Was any of the money that came from the Zertuche
11 Store that came out of that bank account, the store's
12 bank account, was any of that money spent for Judge
13 Carrillo's notes?

14 A Yes, sir.

15 Q Was any of it spent for the commissioner's
16 notes?

17 A Not from the General Store—

18 Q Okay. From the General Store. Okay. Always
19 the money went into the Farm and Ranch Store?

20 A Yes, sir.

21 Q And from the Farm and Ranch Store they paid
22 their notes?

23 A Yes, sir.

24 Q Do you know of your own personal knowledge
25 that Judge Carrillo got groceries for the chits that

3-9
1 were issued?

2 A Yes, sir.

3 Q How do you know this?

4 A I know.

5 Q Did you personally see him pick up groceries?

6 A Yes, sir.

7 Q And in return, the store owner came to you
8 and said, "Judge Carrillo's bill is twenty dollars.
9 Issue a chit for that," or, "a hundred dollars." How
10 did that work?

11 A That store owner would give me that whole
12 bunch of things there, and I had to make about three
13 hundred dollars worth of merchandise that was picked up
14 by Mr. Carrillo or his workers.

15 Q Did you ever get any groceries that way?

16 A No, sir.

17 Q Did you ever get any of the cash that whenever
18 you went to town to get some cash for Judge Carrillo,
19 did you ever get any cash?

20 A No, sir.

21 Q Did you ever get any cash out of the Farm and
22 Ranch Store?

23 A No, sir. I could get any merchandise I wanted
24 from there. I think I had a right to. Small items,
25 like if I needed a pound of nails I'd just get it from

3-10

1 there, for my own use. Yes. But small items. I didn't
2 go and get an item that cost over five dollars. No.
3 But if I needed something I think I deserved it.

4 Q Were you taking this from the Farm and Ranch
5 Store?

6 A From the Farm and Ranch Store.

7 Q Or the Zertuche Store?

8 A From the Farm and Ranch Store. Yes, sir.

9 Q And you would use this on your place?

10 A Yes, sir.

11 Q Did anyone ever come in and pay you in cash
12 for merchandise that came from the Zertuche Store?

13 A No, sir.

14 Q And that was always done by drafts or warrants.
15 Is that correct? In other words, checks issued for the
16 payment of the merchandise given?

17 A Yes, sir.

18 Q Now then, was the merchandise in this store
19 comingled— How did you know the County nails from the
20 Farm and Ranch Store nails?

21 A Well, it's very easy. It all depends where
22 I put them in the store.

23 Q You made very sure that you put the County's
24 nail here—

25 A Yes.

3-11

1 Q —and the Farm and Ranch Store nails here?

2 A Yes.

3 Q And whenever the County came in to want some
4 County nails, you'd always give them the County nails?

5 A If I had some. Yes. If not I would give
6 them—

7 Q If you didn't have them you'd have Farm and
8 Ranch Store to sell them to the County?

9 A Yes, sir.

10 Q Or would you have the other account sell them
11 to the County?

12 A What account?

13 Q The Zertuche account.

14 A They never had any merchandise.

15 Q But you'd bill it through the Zertuche?

16 A Yes, sir.

17 Q Was there any other merchandise that— Every-
18 thing that came in to the Farm and Ranch Store or in to
19 the County precinct, you were very certain to keep it
20 separated?

21 A Yes.

22 Q Why?

23 A Because what belonged to the County belonged
24 to the County; what belonged to the Farm and Ranch
25 belonged to the Farm and Ranch.

9-12

1 Q Yes, but if one didn't have it then you'd
2 sell it to the other one and bill the other one?

3 A I'd borrow it.

4 Q Oh, you'd borrow it. Okay. But always there
5 was a bill to the County whenever you borrowed it. Is
6 that correct?

7 A That was for sure.

8 Q Did the Farm and Ranch Store ever borrow from
9 the County?

10 A Yes.

11 Q So it's kind of whenever one got low you'd
12 borrow from the other one and the other one from the
13 other one?

14 A Yes, sir.

15 Q Who would order the supplies for the Farm
16 and Ranch Store?

17 A I will.

18 Q Did Judge Carrillo order any supplies?

19 A Sometimes he did.

20 Q Sometimes he did. All right. Who would
21 order supplies for the County?

22 A The commissioner.

23 Q Did you ever order any County supplies?

24 A Well, if the County commissioner told me to,
25 you.

3-13

1 Q So sometimes you did order for the County as
2 well as for the Farm and Ranch Store?

3 A Yes, sir.

4 Q But you never did order any supplies for
5 Zertuche?

6 A Never.

7 Q Was there any indication, or did anybody ever
8 tell you, "Let's don't order supplies for the Farm Store
9 because the County has them in stock"?

10 A No.

11 Q Whenever you'd get low on nails or low on nuts
12 and bolts in the County then you'd reorder from the
13 County. Is that right? What I'm trying to get at is,
14 was there any system whereby you made sure the County
15 didn't have a product but the Farm and Ranch Store did,
16 so they could bill it through Zertuche?

17 A No. I always kept merchandise at the Farm and
18 Ranch Supply. What I needed I had it all the time.

19 Q Either you had it all the time in both stores?

20 A No. In Farm and Ranch Supply.

21 Q You always had plenty of supplies in the Farm
22 and Ranch Store?

23 A Well, not plenty, but what we used. Those
24 salesmen used to go every week so I ordered merchandise
25 every week.

3-14

1 Q Did you have more supplies for the store than
2 for the County?

3 A Yes.

4 Q So it just kind of happened to work out that
5 you would always sell the supplies from the Farm and
6 Ranch Store to the County through Zertuche. Is that
7 right?

8 A Right, sir.

9 Q But nobody ever told you to do that?

10 A What? I didn't get you there.

11 Q Nobody ever told you— Let me ask you this
12 question. Let me back up and rephrase my question.

13 Did Judge Carrillo tell you whenever you got
14 low or whenever the County didn't have something to get
15 it out of the General Store?

16 A What would I get out of the General Store.
17 I didn't get—

18 Q Well, say they needed two tires.

19 A Yes.

20 Q And the County didn't have two tires.

21 A (The witness nodded.)

22 Q But the General Store had two tires.

23 A The General Store didn't have no merchandise.

24 Q All right. The Farm and Ranch store then. If
25 they had two tires, did they ever have any tires?

3-15

1 A Sometimes. Yes. Or we order them and get
2 them, or we went to Alice and get them or order them.

3 Q So then they would bill through Zertuche
4 the County?

5 A Right, sir.

6 Q Or the school district?

7 A Right, sir.

8 Q Do you know for a fact whether or not the
9 tires that are on this invoice, who bought those tires
10 originally? The Farm and Ranch Store or the County?

11 A The Farm and Ranch Store.

12 Q Okay. Thank you.

13 Did you personally see Judge Carrillo while
14 he was district judge fill up his personal automobile
15 with gasoline?

16 A I didn't see him. I saw some of his workers.

17 Q Some of his workers?

18 A Yes.

19 Q But you never did see him do it?

20 A No. No, sir.

21 Q Did you ever do it? Did you ever fill up
22 your pickup with gasoline?

23 A Yes. They used to furnish me gasoline. Yes.
24 I did. They gave me some gasoline. I used my own
25 truck and theirs, and I used to do some County work.

3-16

1 Mr. Carrillo gave me about ten gallons a week.

2 Q From the County pump?

3 A Yes, sir.

4 Q Did the Farm and Ranch Store have gasoline
5 there also?

6 A No, sir.

7 Q Only County gasoline or County diesel?

8 A Yes, sir.

9 Q But you really don't know whether or not Judge
10 Carrillo told these employees to fill up the personal
11 vehicles, do you?

12 A Yes. They would go there and they would say,
13 "O. P. said for me to fill the truck here." And I told
14 them, "Well, I've got to ask Ramiro." And sometimes
15 if Ramiro was there I'd ask him and he'd say, "Yes,
16 go ahead and fill it up." So I'd fill them up.

17 Q But Judge Carrillo, you never did hear him
18 tell one of those employees to fill a personal truck
19 or personal car?

20 A I guess that once he did. Yes.

21 Q While he was district judge?

22 A Yes, sir.

23 Q I'm curious as to how this Zertuche Store
24 originated. Did it just one day appear on the scene
25 and they hand you these statements and tell you how to

3-17

1 start billing?

2 A Yes, sir.

3 Q But you don't recall the exact date when that
4 happened?

5 A No, sir.

6 Q Do you know who told you to start that procedure?

7 A Ramiro Carrillo and O. P. Carrillo.

8 Q Both of them told you?

9 A Yes, sir.

10 Q Did they tell you this: Did O. P. Carrillo tell
11 you this while he was district judge or before he became
12 district judge?

13 A He was county attorney at that time, I think.

14 MR. NABERS: I believe that's all.

15 CHAIRMAN HALE: Mr. Kaster.

16 BY MR. KASTER:

17 Q Mr. Gonzalez, the store where you worked, did
18 it have a sign on the front of it that said, "Farm and
19 Ranch Supply"?

20 A No, sir.

21 Q No sign?

22 A No, sir.

23 Q Did you have a counter where people would come
24 up and order?

25 A Yes, sir.

3-18

1 Q On that counter you had two registers?

2 A Right.

3 Q One for Zortucho and one for Farm and Ranch?

4 A Right, sir.

5 Q As I understand it, your instructions were
6 if you sold anything to the County you just wrote it
7 on one register, and if you sold to the public you wrote
8 it on the other?

9 A Right, sir.

10 Q You kept track of them, and was there duplicate
11 or triplicate copies of each invoice?

12 A Right, sir.

13 Q So that the people would take one, then you'd
14 send them one at the end of the month, and you'd keep
15 one?

16 A Right, sir.

17 Q Both of them identical?

18 A Yes, sir.

19 Q So there's just one store, but you've got
20 two registers?

21 A Right, sir.

22 Q Okay. Now, you were really running the Farm
23 and Ranch Supply store, and if you'd get low on something,
24 the salesman comes by, you'd order it?

25 A Right, sir.

3-19

1 Q Now if the County needed something they'd
2 call you, some Commissioner or worker would say, "We
3 need something and we're out," and then you'd just give
4 it to them and then just write a bill to the County?

5 A Right, sir.

6 Q Okay. Now, we've been given here some things
7 that look like— Also you handled the checks that you
8 say—looks like they're from the County, and "R and B"
9 would indicate to me it's "Road and Bridge Fund," but
10 these various warrants, I just totaled some up here for
11 a couple of months. They run to quarter thousand, five
12 thousand, three thousand, different months, total.
13 Would once a month you get several checks from the
14 County in payment of invoices from Zertuche, off these
15 invoices you just total them up, bill the County for
16 whatever it was, and then you'd get these warrants back
17 from the County that you would deposit to Zertuche
18 account?

19 A Right, sir.

20 Q And then you'd write another check and transfer
21 it to Farm and Ranch?

22 A Right.

23 MR. CANALES: Mr. Chairman, those are
24 just the County.

25 MR. KASTER: Right. I understand.

3-20 1 MR. CANALES: The other one is the school.

2 Q This is the school, but you do the same thing
3 for the Water District?

4 A The same thing to all of them.

5 Q So that just for the County alone, you're
6 doing—here's one month for five thousand dollars worth.
7 I don't know, whatever each one is. Was the County the
8 biggest buyer?

9 A Yes, sir. The County was the biggest buyer.

10 Q You didn't order these forms for Zertuche.
11 They just say, if you say, "I'm running low on forms,"
12 you'd tell one of the Carrillos you're running low on
13 forms and they'd get you some more?

14 A Yes, sir.

15 Q For either one. I mean, you'd say, "I'm
16 running low on Farm and Ranch," or "I'm running low on
17 Zertuche."

18 A Yes, sir.

19 Q Those were just your orders. They told you,
20 "If we sell anything to governmental agency you write it
21 on Zertuche"?

22 A Right.

23 Q Did the people ever question it, why it was
24 coming from— Oh, there was no sign on the store. Right?

25 A Right.

3-21

1 Q Did anybody say, "How come?" or they didn't
2 ever question you why you've got one? They didn't care?

3 A Well, some County workers, once ask me and
4 I told them why. Yes.

5 Q What did you tell them?

6 A Well, they told me to do this because I couldn't
7 sell it through the Farm and Ranch Supply; that I had
8 to sell it through the Zertuche General Store.

9 Q But in fact all the money from either account
10 was going to the Carrillos or the owners of the store,
11 the Farm and Ranch Store?

12 A I guess so. Yes.

13 Q Okay.

14 MR. KASTER: That's all I have.

15 CHAIRMAN HALE: Mr. Donaldson.

16 BY MR. DONALDSON:

17 Q Mr. Gonzalez, briefly, you furnished the
18 Committee several of these with a statement. Is that
19 the only one that you have?

20 A Yes, sir.

21 Q All of those are for the period of March,
22 or thereabout, 1971?

23 A Yes, sir.

24 Q And they're all to the Bonavides Independent
25 School District?

3-22
1 A Yes, sir.

2 Q And at that time Judge O. P. Carrillo was
3 District Judge. Right?

4 A Yes, sir.

5 Q He was not on the school board?

6 A '71? No, I don't think he was on the school
7 board anymore.

8 Q Do you know if at that time Ramiro Carrillo,
9 what position did he hold?

10 A Commissioner.

11 Q He was county commissioner?

12 A Yes, sir.

13 Q Was any of their relatives on the school board
14 at that time?

15 A Yes, sir.

16 Q Who?

17 A '71?

18 Q In '71.

19 A I think his daddy and a grandson— I mean,
20 a nephew of his, of the Carrillos.

21 Q Were on the school board of the Benavides
22 Independent School District?

23 A Yes.

24 Q Now, prior to the time that Judge Carrillo
25 became district judge, he was on the school board. Is

3-23
1 that correct?

2 A He was there for a while. Yes.

3 Q Do you remember about when that was? Was
4 that in the early '60's would you say?

5 MR. CANALES: I believe that book there
6 will reflect some place toward the end the point at
7 which he—if you want an exact date—it has the minutes
8 of the committee of the school board meetings wherein
9 the resignation took place.

10 MR. DONALDSON: Okay.

11 Q Now, on these invoices that you were instructed
12 to use for Zertuche, if I came in to Farm and Ranch and
13 I bought a roll of barbed wire, you'd price that out
14 on a Farm and Ranch invoice. Correct?

15 A Yes, sir.

16 Q If it was a sale to the County or some other
17 political subdivision, you'd price that out on an
18 invoice out of Zertuche?

19 A Right, sir.

20 Q Would you price them the same?

21 A Yes, sir.

22 Q You were not instructed to use any different
23 prices?

24 A (No response.)

25 Q In other words, you would sell to the County,

3-24

1 the school at the same price that you would sell to
2 individuals?

3 A I said I would.

4 Q Now, on the grain truck, did I understand you
5 to say that that truck that was being used to haul
6 grain did not have county license plates on it?

7 A Yes. It had an "exempt" license plate.

8 Q It had "exempt" plates?

9 A Yes.

10 Q Is it your testimony that that was being used
11 to haul grain?

12 A Yes, sir.

13 Q From the ranch of Judge Carrillo?

14 A Yes, sir.

15 Q Was that at the time when he was district judge?

16 A Yes, sir.

17 Q How the bulldozer that you referred to, how
18 do you know that the bulldozer that's in the repair shop
19 in San Diego today belongs to Judge Carrillo?

20 A I know for a fact that he's got it rented to
21 that Plain Machinery in Corpus Christi.

22 Q He has rented that bulldozer from a firm in
23 Corpus Christi?

24 A Yes.

25 Q So he doesn't own it?

3-25

1 A I don't know how it works. I mean he's either

2 Q What you're saying is, you don't know whether
3 he owns it or not. Is that correct?

4 A I think he owns them. He's giving payments
5 on them, \$3,000 a month.

6 Q How often does Judge Carrillo come by Farm
7 and Ranch store?

8 A Well—

9 Q Who do you work for now?

10 A County.

11 Q Do you still go down to the Farm and Ranch
12 store every day?

13 A I quit last year. May. But I'm still working
14 for the County. I quit Farm and Ranch and now I'm
15 another place now. I work as a Welfare clerk. I give
16 out orders now.

17 Q Do you give out the white slips?

18 A Sir?

19 Q Do you give out the white slips?

20 A No. I have an original welfare order book
21 they furnished when I started working. I went over
22 there and asked them for that. I wasn't going to work
23 at Farm and Ranch Supply anymore. I didn't want to be
24 in that place. I went and talked to County Judge Archer
25 Farr and explained to him and he said, well, that if I

3-26

1 could do this job, help some people out that couldn't
2 get in touch with Carrillo, the County Commissioner,
3 because he's the one that appointed those county orders.
4 I told him I'd try; if I could do it, I'll do it. "I'm
5 almost sure that I can do it." I told him that I can.

6 Q So you're still going down to the office
7 every day and working?

8 A What office?

9 Q This Welfare office or wherever it is your
10 work is being done.

11 A I've got my own office in my home.

12 Q But you work for the County. Right?

13 A Yes, sir.

14 Q Have you gotten a check this month?

15 A Sir?

16 Q Have you gotten your check this month?

17 A I got a check last month, but I don't know if
18 I'm going to get it this month or not.

19 Q You don't know if you're fired yet?

20 A I don't know for sure. They claimed they have
21 laid me off, but nobody is telling me "you're laid off."

22 Q You're still working though?

23 A To my knowledge, yes. I'm going to go at the
24 end of the month and tell them, "Where's my check?"

25 MR. DONALDSON: That's all I have.

3-27

1 CHAIRMAN HALE: Mr. Laney.

2 BY MR. LANEY:

3 Q Mr. Gonzalez, you testified that you were
4 given these blank checks, except they were already
5 signed checks and you filled them in. Who told you to
6 fill those checks in?

7 A By Zertuche?

8 Q Yes.

9 A They did. Mr. Carrillo.

10 Q Okay. Judge Carrillo told you to fill in—
11 gave you the orders to fill in the checks?

12 A Yes, sir.

13 Q When these checks cleared the bank and came
14 back with the bank statements, did they come to you?

15 A No, sir. Not the Zertuches.

16 Q And that's the one you testified that were
17 off in school and one of them in the Army or something?

18 A Yes. He's a school teacher now. That is
19 Arturo.

20 Q1 But after you took the checks to the bank you
21 never saw them again? You didn't get a statement, you
22 don't know what it was spent for or anything?

23 A No, sir.

24 Q You testified that you thought some car pay-
25 ments were made out of that or something?

3-28 1 A Yes, sir, because I was told once to send a
2 car payment to— He had a note at the First State Bank
3 of Alice, and for me to send a payment.

4 Q Out of this General Store then you sent a
5 payment one time for a car payment, filled in to this
6 finance company or the bank or whatever?

7 A To the bank. Yes.

8 Q At whose orders were these?

9 A Mr. Carrillo here.

10 Q And do you know who that car belonged to?

11 A I don't know. I think it belonged to Arturo,
12 or maybe Mr. Carrillo bought it and put it under Arturo's
13 name and the note under Arturo's name. But somehow it
14 worked, I guess.

15 Q What are you making now, this job you've got
16 with Welfaro? What do you make now in that job? You
17 said you were making 250 back yonder—

18 A I'm getting \$500 a month.

19 Q \$500 a month?

20 A Yes.

21 Q This "Pat" that you used to work with that is
22 now deceased—

23 A Yes.

24 Q What was his name?

25 A Pat Gonzalez. Patricio.

3-29

1 Q Was he on the County payroll?

2 A Yes, sir.

3 Q He never did get a check out of the General
4 Store or the Farm—

5 A Never. He just got a check from the County
6 just like I did.

7 Q Did he also cash his own check or did you
8 cash it for him?

9 A No. He also cashed his own check.

10 Q These slips that you testified—the food slips
11 or whatever that you testified that you knew in your
12 knowledge, that you had knowledge that Judge Carrillo
13 did buy the food with these slips or whatever, what was
14 your official capacity as the receiver of these slips?
15 What authority did you have to receive those slips?

16 A Well, I worked at the commissioner's office
17 and I did all this work for him.

18 Q You were doing that for the commissioner?

19 A Yes. I had to ask him though, and he had to
20 give me permission to do it. I never did do anything
21 unless I asked him to.

22 Q But you were his agent then?

23 A Yes, sir.

24 Q These people that brought you these slips
25 that said that they— Did they say that Judge Carrillo

3-30

1 came in and bought this stuff?

2 A I asked him once and he kind of hesitated a
3 little, and I think he told me that— He said, "Well,
4 it's merchandise and I've got to get paid for it. He
5 just gave me this for you to make me an order." So I
6 asked Carrillo, the other Carrillo, and he said, "Go
7 ahead and give it to him." So I gave it to him.

8 Q Okay. But he never did tell you that it was
9 the Judge's truck that came in there and picked this
10 stuff up?

11 A I asked him, "Who picked this up?" He said,
12 "O. P. or his workers." Patricio or Tomas.

13 Q Did you ever see him personally picking this
14 stuff up?

15 A Well, occasionally I went to that store and I
16 saw this man, Patricio Garza, who works for O. P., getting
17 some merchandise and just signing it.

18 Q You saw his workers pick it up but you never
19 did see him personally?

20 A Who?

21 Q Judge Carrillo.

22 A I saw him pick up some merchandise and just
23 signing that white slip, just an adding machine white
24 slip.

25 CHAIRMAN HALE: Ms. Thompson.

3-31 1 (No response.)

2 CHAIRMAN HALE: Ms. Weddington.

3 BY MS. WEDDINGTON:

4 Q I'm interested in the checks you were talking
5 about. You said in response to a prior question that
6 you never did see the bank statements on the General
7 Store?

8 A No, ma'am.

9 Q Did you ever see the bank statements on the
10 Farm and Ranch Supply Store?

11 A Yes, ma'am. Yes, ma'am.

12 Q Those came back to you?

13 A Yes, ma'am. I kept them on file and I did all—
14 Yes. I kept them.

15 Q Did you actually, when you wrote a check, did
16 you actually— Well, were the checks they gave you ones
17 something like this?

18 A They were big checks in a big book. Yes.

19 Q Were there three on a sheet?

20 A Business type checks. Yes.

21 Q Okay. Three on a sheet or something like that?

22 A Yes, ma'am.

23 Q Okay. And when you wrote a check, would you
24 then put on the little stub— Did they have a little
25 stub?

3-32

1 A Yes, ma'am.

2 Q And you would write on the stub what you had
3 made the check for, when it was, and all that kind of
4 stuff?

5 A Yes, ma'am. Sure.

6 Q You testified earlier that they would give
7 you ten or eleven checks.

8 A That was the Zertuche General Store.

9 Q What about the Farm and Ranch Store?

10 A No, because Ramiro Carrillo was there every
11 day, so whenever I needed a check I just tell him,
12 "Ramiro, I got to make this payment," or "I got to do
13 this and I need a check," and he'd give it to me.

14 Q Okay. So for the Zertuche Store they would
15 give you checks already signed?

16 A Yes, ma'am.

17 Q But for Farm and Ranch you would write out the
18 check and then show it to him and he would sign it?

19 A Sometimes, and sometimes I just tell him,
20 "Ramiro, I got to make this payment," or "I got to do
21 this," and he didn't hesitate to give me several. They
22 were blank too.

23 Q Did anybody ever check that? Did the County
24 Commissioner at the end of the month take that checkbook
25 and look through it to see what checks had been written

3-33 1 and whether it balanced or anything like that? Did he
2 ever check that?

3 A He probably did. Yes.

4 Q But he never asked you—

5 A He looked at it when he signed the checks.
6 Sometimes he went over it. Yes.

7 Q How much was the balance in that account
8 usually?

9 A Well, sometimes— Well, they always had money.
10 Let's say, \$8,000 or more. Sometimes they were broke.
11 Sometimes I had some checks come back, this and that.

12 Q What was the most you ever remember having in
13 that checkbook?

14 A In the account?

15 Q Yes.

16 A Two or three thousand dollars at times.

17 Q They never did seem to express any concern
18 of just signing a check for you on that account when
19 they never looked at the book, that you could have
20 written it for the whole amount?

21 A They never did.

22 Q Why do you suppose that was?

23 A They trusted me.

24 Q Did anybody ever ask you to try to collect
25 evidence about what was going on at the store?

3-34

1 A I already testified to the Grand Jury in
2 San Antonio about the same thing that I'm doing right
3 now.

4 Q Were you subpoenaed to go and testify in San
5 Antonio?

6 A Yes, ma'am.

7 Q Who was the first person that asked you if you
8 had any knowledge about things that had happened at the
9 store and if you'd be willing to tell about them?

10 A You mean federal—

11 Q No. Just anybody.

12 A Ask me that question again.

13 Q Okay. Who was the first person that asked you
14 if you would be willing to tell somebody in authority
15 about what was going on in the store?

16 A You mean right now or—

17 Q Just any time. Whenever you decided you were
18 going to tell about it.

19 A Well, nobody did. I did it on my own.

20 Q Who did you go to?

21 A To what?

22 Q Okay. When you decided to do it on your own,
23 what did you do?

24 MR. CANALES: Ms. Weddington, I believe,
25 if I'm not mistaken, this man was subpoenaed by the

1 Federal Grand Jury.

2 A Yes. That's what I told you. The Federal
3 Grand Jury. Yes.

4 Q How did they know to subpoena you?

5 A Because it all started on the late Mr. George
6 B. Parr's case. They called me—

7 Q Yes.

8 A I think the first people that started was
9 Pat Gonzalez. He was a City Alderman, and they asked
10 him if he was working and everything. He said, "I work
11 for the County and I'm working at the Farm and Ranch
12 Supply." They asked him, "Who else works there?" and
13 he said, "Cleofas Gonzalez." So right there it hit me,
14 and I was called to come and testify in San Antonio,
15 I guess.

16 Q Who came and talked to you about testifying?

17 A I don't recall the name of the man.

18 Q Had you given that same information to anybody
19 prior to the time somebody came and talked to you about
20 testifying? About being subpoenaed?

21 A When? Right now?

22 Q Okay. Let me rephrase it.

23 A Yes.

24 Q Has anybody, before you were subpoenaed, ever
25 asked you to try to collect some evidence about what was

3-36
1 going on at the store?

2 A No, ma'am.

3 Q Nobody ever has?

4 A No, ma'am.

5 Q What about when you went to talk to Judge
6 Parr about the possibility of working for him? Did he
7 mention that it would be nice if you could collect some
8 evidence at that time?

9 A He didn't ask me anything about evidence, nor
10 Mr. Parr, Archer Parr.

11 Q Did he ask you anything about what was going on
12 at the store?

13 A No, ma'am.

14 Q He didn't ask you anything about that?

15 A No, ma'am.

16 Q The subject never came up?

17 A No, ma'am.

18 Q Did he ask you to talk to anybody else about
19 it?

20 A No, ma'am.

21 Q Has anybody else other than the Grand Jury in
22 San Antonio showed any interest in what you might have
23 known about what was happening at the store?

24 A Well, two other IRS's called me about, let's
25 say, a year ago. They called me by phone. They said,

3-37 1 "Mr. Gonzalez, this is So-and-So. Will you please come
2 to the Federal Building, the Post Office, at Alice,
3 Texas?" And I told him, "What for?" And he said, "Well,
4 we're your friend So-and-So." They were IRS investi-
5 gators, I guess. And I told him, "Well, if I have to
6 I will, but I can't go right now because I'm by myself
7 at the store. If I go over there it's going to have to
8 be after five o'clock." So that's what I did. Wait
9 until five o'clock and went over there, and they had
10 everything written down. They just asked me questions,
11 and they recorded; they had a recorder, and they asked
12 questions and recorded everything I said there.

13 Q During that whole time that you were working
14 for \$250 a month, did you ever ask for a raise?

15 A I gave him some hints sometimes that I needed
16 more money, but he never did say anything about giving
17 me a raise.

18 Q Okay. Do you know the names of some of the
19 drivers whose trucks you've filled up for work that you
20 think was on Judge Carrillo's land?

21 A Judge Carrillo? Yes. Tomas Elizando, Juan
22 Hinojosa, Patricio Garza, George Zertuche, Jr. I guess
23 those are the main ones.

24 Q Are all of those people still working for
25 the Judge?

1 A Yes. And the County.

2 Q Are they getting paychecks from both?

3 A I don't know if they're getting from both,
4 but some of them are getting— Some of them have already
5 quit, but some of them are getting paid by the County.
6 Yes.

7 Q Did anybody keep an inventory on the County
8 supplies at the Farm and Ranch Store?

9 A No, ma'am.

10 Q Were you ever asked to keep an inventory on
11 it?

12 A No, ma'am.

13 Q Were you ever asked to tell anybody when
14 supplies were running low?

15 A No. The county commissioner did his own
16 buying in the County. No.

17 Q Could the County have gotten it cheaper if
18 they had bought it directly than through Farm and Ranch
19 or General Store?

20 A I guess they could, because sometimes they
21 ordered a whole load of wire and whole load of posts.
22 Yes.

23 Q Did you ever take any money to the Judge at
24 the Courthouse?

25 A No, ma'am.

3-39

1

Q Did he always pick it up there at the store?

2

A Yes, ma'am.

3

Q Did you ever take it to him at his home?

4

A No, ma'am.

5

Q Ever take it to him at his ranch?

6

A No, ma'am.

7

Q He always picked it up at the store?

8

A Yes, ma'am.

9

Q Has anybody offered to give you anything if

10

you would not testify?

11

A No, ma'am.

12

Q Don't you think that's strange?

13

A Yes.

14

Q Have they gotten some new tractors for the

15

County during the time that you've been employed there?

16

A I guess. Yes.

17

Q There has been new equipment purchased?

18

A Yes.

19

Q Would those be delivered directly to you at

20

the County yard there?

21

A They would be at the Benavides yard. Yes.

22

Q That's where you worked?

23

A Yes, ma'am.

24

Q Did they give you the invoices on that new

25

equipment?

3-40

1 A No, ma'am. I don't have to do anything with
2 that.

3 Q But even when they just delivered them and
4 needed to leave the invoice with somebody—

5 A No, ma'am.

6 Q Wouldn't you be the only person there a good
7 bit of the time?

8 A No. All the workers are there.

9 Q They'd be out on jobs a lot, weren't they?

10 A What?

11 Q Weren't they out on jobs a lot?

12 A No. They stay there most of the time.

13 Q What do they do while they're there?

14 A Work.

15 Q What?

16 A Doing some work, fixing trucks, this and that.

17 Q But you never had an invoice delivered to
18 you?

19 A Never.

20 Q Or you never saw an invoice for what the
21 County had bought or anything?

22 A No, ma'am.

23 MS. WEDDINGTON: Okay. Thank you, Mr.
24 Chairman.

25 CHAIRMAN HALE: Mr. Chavez.

3-41

1 BY MR. CHAVEZ:

2 Q Along the lines that Ms. Weddington was asking
3 you, concerning this testifying, did you say earlier
4 that about a year and a half ago or so that you had
5 become suspicious and was starting to gather evidence
6 or holding some things?

7 A Yes.

8 Q Do you know more or less when it is that you
9 started getting suspicious?

10 A Well, that IRS coming in every day—

11 Q Well, did you start gathering these things
12 before you were called to Alice or after the IRS called
13 you?

14 A Well, the IRS called me a lot before I was
15 called to Alice. Yes.

16 Q This is a little over a year and a half ago?

17 A It was more than a year and a half ago.

18 Q Did they tell you when they talked to you
19 that if these things that you have told us were true
20 that you and O. P. Carrillo and Ramiro Carrillo might
21 end up in the penitentiary together?

22 A Why me?

23 Q Well, during all these times that you knew
24 that O. P. Carrillo was taking groceries, they were
25 being paid by County money through you—

3-42
1 A Through me?

2 Q Didn't you say that you got these receipts
3 and made out the order and sent it on up—

4 A I was instructed to do it by him and the other
5 Carrillo.

6 Q Do you think that if somebody—

7 A They were my bosses there, and if I didn't do
8 it I would just, "Go home, boy."

9 Q In other words, you don't think that you were
10 doing anything wrong?

11 A Probably I did, but I'm not to blame for it.
12 Why should I take the rap for it? I didn't take any for
13 my own use.

14 Q Are you telling us here that during all these
15 years that all these things were going on you did not
16 know that you were participating in something that was
17 illegal?

18 A Yes, I did, but are you blaming me for doing
19 it?

20 Q I'm not blaming anybody, Mr. Gonzalez. I'm
21 just asking you if during all these years that all these
22 things were taking place, did you or did you not know
23 that you were doing something that was illegal?

24 A I was doing it for them because they were
25 telling me to do it.

3-43

1 Q But did you know that they were illegal?

2 A Yes, I knew they were illegal. Yes.

3 Q And that you were participating with them in
4 those illegal activities?

5 A What do you mean that I was participating
6 with them? I didn't get anything for myself. I mean,
7 I was instructed to do it. That's what I was getting
8 paid for.

9 Q Well, in effect what you have told us here is
10 that O. P. Carrillo was stealing money—

11 A Did I say stealing money?

12 Q Well, he was getting groceries that were being
13 paid by County money, wasn't he?

14 A Probably.

15 Q Do you know what we're doing here today?

16 A Yes.

17 Q Do you know that if this committee votes what
18 they call "Articles of Impeachment," and if the House
19 of Representatives says it approves these Articles and
20 they're sent to the Senate and the Senate tries him that
21 this can ruin this man forever? He can never be a judge
22 again or anything like that.

23 A Did you hear what I said that I was here doing
24 this for my people?

25 Q But do you understand that this is a very

3-44

1 serious situation?

2 A Yes, sir.

3 Q Now, you wouldn't want anybody to face those
4 kind of charges on just "maybe so" and "I guess so" and
5 things like this.

6 A I'm saying they asked me to say "yes" or "no",
7 so I'm say "yes" or "no."

8 Q All right. When I asked you a while ago that
9 the Judge was taking groceries, according to your testi-
10 mony, and these groceries were being paid by County money,
11 you don't consider that stealing?

12 A Yes, I do now. Now that you're explaining
13 to me. Yes.

14 Q I just want you to understand.

15 A Yes, sir.

16 Q Okay. You knew that he was stealing from the
17 County?

18 A Yes, sir.

19 Q And you were helping him to steal from the
20 County, weren't you?

21 A Why was I helping him?

22 Q Well, you knew—

23 A I was instructed to do that.

24 Q Well, you think if Mr. Canales gave you a gun
25 and says, "Shoot Chavez over there," you don't think

3-45

1 that you would be doing anything illegal because Canales
2 told you to do it?

3 A That all depends.

4 (Laughter.)

5 Q How many times did you talk to the IRS agents?

6 A Millions of times, I guess, by now. A lot of
7 times.

8 Q And before how many Grand Juries have you
9 appeared?

10 A (The witness raised one finger.)

11 Q Just once?

12 A (The witness nodded his head.)

13 Q At the time that you had your conversations
14 with the IRS agents, did they tell you that anything
15 that you might tell them might be held against you?

16 A Well, they said if I said the truth, that
17 nothing—I asked them that. Yes. I told them, "What
18 would happen if I incriminate myself?" They said, "Nothing
19 will happen to you just saying the truth, nothing but
20 the truth." That's what they told me.

21 Q Did you appear with an attorney at any of these
22 interviews or at any time you appeared before the Grand
23 Jury?

24 A Why should I?

25 Q Well, whether you did or didn't. Did you or

3-46

1 didn't you?

2 A I did not.

3 Q Have they ever given you what is referred to as
4 immunity?

5 A They haven't said anything to me about immunity.

6 Q Okay. And you've talked to the IRS agents for
7 over a year and a half?

8 A Yes. Maybe more.

9 Q And you've given them all this information that
10 you've given to us here tonight?

11 A I don't have to give it. They've got it written
12 down already. They're just asking me the questions. I
13 don't tell them nothing. They've already got everything.
14 They show it to me

15 Q Did you confirm to them everything that you've
16 told us here tonight?

17 A Yes, I had to, because they had there photo-
18 static copies of everything, so I couldn't say "no."

19 Q And although you've given them all this informa-
20 tion, you haven't been arrested or indicted or anything
21 like that?

22 A Not up to now. No.

23 Q Now one thing that kind of just made me wonder,
24 you indicated that at one time some County trucks were
25 hauling grain that belonged to the Judge.

3-47

- 1 A Yes, sir.
- 2 Q And that you called the DPS.
- 3 A Yes, sir.
- 4 Q Now, had you already been talking to the IRS
5 agents at that time?
- 6 A Yes, sir.
- 7 Q Did you give the IRS agents that information?
- 8 A No, sir. They didn't ask me that.
- 9 Q Why was it that you called the DPS?
- 10 A Because I'm doing this for the good of the
11 people, my people. I'm trying to do something, trying
12 to do something good over there. Just like he's doing,
13 he's trying to do, getting all of us out of jobs.
- 14 Q That brings up another interesting question
15 then. Are you giving this testimony because of what
16 is happening now, as I read it, that some people have
17 been removed from office and some people have lost jobs?
18 Is that why you're testifying, because he's done that?
- 19 A Maybe.
- 20 Q Well, yes or not?
- 21 A Yes.
- 22 Q All right. Now, as I understand it, there are
23 different political parties down there.
- 24 A I think you're well aware of that. Yes.
- 25 Q To which political party do you belong?

3-48

1 A I belong to the old party, since I started
2 voting. I'm an old party member.

3 Q All right. Now, pardon my ignorance, but which
4 is the old party, Carrillo Party or the Parr Party?

5 A I don't know. The Carrillo used to be old
6 party. I don't know what party they are right now.
7 I think they are the old party too.

8 Q Do you belong to his political party?

9 A I think yes.

10 Q But nevertheless, you got carried off in
11 this area where you lost your job or think you lost your
12 job?

13 A I think I'm going to lose it. I don't know.
14 No, I'm still working.

15 Q What you said a while ago was that one of the
16 reasons that you are testifying is that he caused a lot
17 of people to be removed from offices and from jobs.

18 A Not because of that reason. You mentioned it
19 so I said "yes." There are a lot of other reasons.

20 Q Now, what still has me puzzled is, why call
21 the DPS? Were the trucks violating any traffic law?

22 A Well, sometimes the DPS stopped me for a lot
23 of things that I don't do wrong, and they just stop me.

24 Q Well, they didn't stop you for hauling stuff
25 that didn't belong to you, did they?

3-49

1 A No. I haven't done that. Not up to now, no,
2 I haven't.

3 Q That's what I say, if a truck is traveling
4 down the highway at a normal rate of speed, hauling
5 grain or anything else—

6 A If I see something wrong I will. I guess I
7 will. Yes.

8 Q Let me finish my question. You don't think
9 the DPS agent would stop a truck driving down the
10 highway at a normal rate of speed, hauling grain or
11 anything else, just because you call them and said,
12 "Stop them."

13 A I don't think they will do that because they
14 didn't do it.

15 Q All right. Did you call them because you
16 felt that Judge Carrillo was doing something wrong in
17 using those trucks to haul his grain?

18 A Well, in a way, yes.

19 Q He was doing something illegal, wasn't he?

20 A Yes. Right.

21 Q Why didn't you call the Sheriff's office?

22 A Because the Sheriff— We told them. I guess
23 we did. Yes. Yoo. Yes. We did. We told them.

24 Q You did tell them?

25 A Yoo.

3-50

1 Q What did the Sheriff's office do?

2 A Nothing.

3 Q Did you tell the County Judge?

4 A I don't know. I don't think I did.

5 Q Why not?

6 A I didn't see him at the time.

7 Q Well, you haven't seen him since then?

8 A Yes. But why should I tell him right now?

9 That's gone.

10 Q But when you were concerned about calling the
11 DPS you don't think that in the County of Duval you could
12 have found the judge that day or the next day or the
13 following day to tell him about this thing?

14 A I didn't bother to do it. No.

15 Q You've never gone to your district attorney
16 in your county to report these things, have you?

17 A No, sir. I will if I see them do it now
18 because they're asking for some help.

19 Q Yes. He's over here taking notes too.

20 A Yes. They're asking for some help, I think.
21 Yes.

22 MR. CHAVEZ: That's all, Mr. Chairman.
23 Thank you.

24 CHAIRMAN HALE: Mr. Gonzalez, let the
25 Chair ask you one or two more questions.

3-51

BY CHAIRMAN HALE:

1 Q How much education have you had?

2 A I am a high school graduate.

3 Q Where?

4 A Benavides High School.

5 Q Benavides High School.

6 Are you married?

7 A Yes, sir.

8 Q Do you have a family?

9 A Yes, sir.

10 Q How many children?

11 A Three.

12 Q Did you and your family, your wife and three
13 children, that's five in your family, you've lived all
14 these years on an income of \$250 a month?

15 A Yes, sir. And I have never asked nobody for
16 nothing.

17 Q The Grand Jury, you said that you'd only been
18 before one Grand Jury.

19 A Yes, sir.

20 Q Was that in San Antonio?

21 A Yes, sir.

22 Q Federal Grand Jury?

23 A Yes, sir.

24 Q You were not subpoenaed before the Federal
25

3-52 1 Grand Jury in Corpus Christi on the income tax indictment?

2 A I went to testify over there too, but I testi-
3 fied only on the late George B. Parr case. Yes.

4 Q Not on this indictment that was returned
5 against the Carrillos and Zertuche?

6 A Up to now, no, but I'm pretty sure I am going
7 to be.

8 Q Let me read to you from this indictment, and
9 ask you if this is the same type of transaction about
10 which you've been testifying. And I read from a photo-
11 copy of the indictment:

12 "Criminal Action No. 75-C-45 in the
13 United States District Court, Southern
14 District of Texas, Corpus Christi Division.
15 Styled, United States of America versus
16 Ramiro D. Carrillo, O. P. Carrillo, and
17 Arturo R. Zertuche. Filed March 28th, 1975,
18 with the Clerk of the Court."

19 It alleges here that:

20 "O. P. Carrillo, Ramiro D. Carrillo,
21 Arturo R. Zertuche, all residents of Duval
22 County, did unlawfully, knowingly, and
23 willfully conspire, confederate, combine,
24 and agree together with each other, and
25 with other persons to the Grand Jurors

3-53 1 unknown, to commit offenses against the
2 United States and to defraud the United
3 States; that is to say, they conspired
4 to make, subscribe, and file with Internal
5 Revenue Service false and fraudulent indi-
6 vidual and partnership income tax returns
7 in violation of Title 26, United States
8 Code, and so forth."

9 The dates being on or about January 1, 1967,
10 and continuously thereafter up to and including May 31,
11 1974. And it specifies in detail the following:

12 "During the course of the conspiracy
13 the aforesaid Defendants would cause certain
14 sales of the partnership, O. P. and Ramiro D.
15 Carrillo, doing business as Farm and Ranch
16 Supply, including sales to Deval County,
17 Deval County Conservatica and Reclamation
18 District, and Bonavideo Independant School
19 District, to be made in the name of Zortucho
20 General Store."

21 Is that correct?

22 A Yes, sir.

23 Q "During the course of the conspiracy
24 the aforesaid Defendants would cause said
25 sales or a portion of them to be reported

3-54 1 on the income tax returns of Defendant
2 Zortucho as sales of the Zertuche General
3 Store and not to be reported on the Farm
4 and Ranch partnership returns."

5 Have you any knowledge about that as to how
6 they reported the money from these various stores?

7 A No, sir.

8 Q "During the course of the conspiracy
9 the aforesaid Defendants would falsely
10 claim to employees of the United States
11 that Zertuche General Store was an indepen-
12 dent operation of Defendant Zertuche; that
13 it had its own location apart from the Farm
14 and Ranch operation, and it was a separate
15 operation from Farm and Ranch."

16 Do you know anything about that?

17 A Well, I have heard something about it. Yes.

18 Q Is that correct?

19 A I think it is. Yes.

20 Q Have you seen this book which purports to be
21 at least a partial set of minutes of the Bonavides
22 Independent School District?

23 A No, sir, I haven't.

24 Q If these are true and correct copies of the
25 minutes, this reflects that at a meeting on October 19,

3-55
1 1970, at a Board of Trustees meeting of the Benavides
2 Independent School District, in part, the following
3 took place, and I quote from these purported minutes:

4 "At this time, M. K. Bercaw—" I may not
5 be pronouncing that correctly—"M. K. Bercaw,
6 Jr. read letter of resignation from O. P.
7 Carrillo to the Board. Luis Elizando made
8 a motion to accept the resignation of O. P.
9 Carrillo. The motion was seconded by Al
10 Shuniman. The vote carried unanimously."

11 Do you have any knowledge of that?

12 A I've heard about it. Yes.

13 Q This reflects that that occurred on October
14 19, 1970. Would that be about the date as far as you
15 know?

16 A I guess. Yes.

17 Q Do you know when O. P. Carrillo became District
18 Judge?

19 A No, sir. I can't tell you exact. No, I can't

20 Q Has he been judge for a number of years?

21 A Yes.

22 Q Are you aware of the fact that the court on
23 which he sits was a newly created court at the time he
24 took office?

25 A No.

3-56
1 Q That he is the only judge that has ever
2 occupied the bench on the 229th District Court?

3 A I guess he's the first one. Yes.

4 MR. CANALES: Mr. Chairman, I'm not sure,
5 but I think there might have been somebody appointed
6 to that bench, but I'm not familiar with the entire
7 history of it. I think Judge Carrillo ran an uncontested
8 election subsequent to an appointment.

9 Is that true?

10 A Yes. I think that this man—

11 MR. CANALES: Was there somebody appointed
12 to that bench first?

13 JUDGE CARRILLO: Judge Luna.

14 MR. CANALES: Judge Luna was appointed
15 and in a general election Judge Carrillo ran an uncon-
16 tested race.

17 CHAIRMAN HALE: What year?

18 MR. CANALES: I think '70. I'm not sure.

19 MR. MITCHELL: Certified again in November
20 of '74, recertified. He took office then.

21 CHAIRMAN HALE: Mr. Canales, where did
22 this book of minutes come from?

23 MR. CANALES: These records were brought
24 to me by an attorney from—I think he's either from
25 San Diego or Freer. They're Xerox copies. They're not

3-57 1 certified originals.

2 CHAIRMAN HALE: I notice many of them
3 have no signatures on them.

4 MR. CANALES: That's the way they were
5 taken from the records of the school district. Photo-
6 copied from there.

7 CHAIRMAN HALE: Were they presented to
8 you as photo-copies of the actual minutes of the Benavides
9 Independent School District?

10 MR. CANALES: Yes. I would assume that
11 if we subpoenaed the records of the school district it
12 would be similar to those.

13 CHAIRMAN HALE: I noticed in thumbing
14 through all these minutes that they reflect on practically
15 every meeting here up through the early part of 1971,
16 authorized disbursements to Zertuche General Store.
17 And then in the latter part of 1971 and during '72,
18 there doesn't seem to be any such disbursements. How
19 do you account for that?

20 MR. CANALES: I'm not sure that that is
21 the final record on the Zertuche General Store. Those
22 are just the records that have been presented to me.
23 But sometime during the course of those minutes there
24 Judge O. P. Carrillo resigned from the school board.

25 CHAIRMAN HALE: This reflects that that

4-58 1 occurred on October 19, 1970, if these dates are correct.

2 MR. DONALDSON: What are the dates of
3 the last payments to Zertuche there?

4 CHAIRMAN HALE: At the October 19, 1970
5 meeting, according to these minutes, there was a
6 disbursement to Zertuche General Store of \$210.57; a
7 second one of \$250; a third one of \$250; and a fourth
8 one of \$65.43.

9 MR. DONALDSON: What is the date of the
10 last one?

11 CHAIRMAN HALE: Then in November 16, 1970,
12 according to these purported minutes, there was a
13 disbursement to Zertuche General Store for \$1,259.69;
14 a disbursement to Farm and Ranch Supply of \$522.

15 BY CHAIRMAN HALE:

16 Q Mr. Gonzalez, were you handling the money for
17 these two operations in November, 1970?

18 A Yes, sir.

19 Q I noticed a disbursement on here to Farm and
20 Ranch Supply of \$522 at that time. Did you make a billing
21 at that time in the name of Farm and Ranch Supply?

22 A I've got to see a ticket or invoice to tell if
23 I did or not.

24 Q Did you ever receive any checks from Benavides
25 Independent School District either to Zertuche General

4-59

1 Store or to Farm and Ranch Supply that were not in
2 response to a billing which you sent them?

3 A Probably so. Yes.

4 Q You're answer is, you don't know or you're
5 not sure?

6 A I don't remember.

7 Q Then there are disbursements shown at the
8 December, 1970 meeting, and that appears to be the
9 last disbursement reflected here to either of these
10 two business entities. No. Here is one in August, 1971,
11 to Farm and Ranch Supply.

12 After Mr. Carrillo resigned from the Board of
13 Trustees of Benavides Independent School District, did
14 you start making billings directly to them in the name
15 of Farm and Ranch Supply?

16 A Not that I remember. Probably so. I don't
17 remember.

18 Q Are you still making billings in the circuitous
19 route through Zertuche, or do you make billings directly
20 now by Farm and Ranch Supply?

21 A I'm not working there anymore.

22 Q How long since you've worked there?

23 A May of last year.

24 Q Were you still billing through Zertuche in
25 May of last year?

1 A No, sir.

2 Q When did you quit billing through Zertuche?

3 A About '71, I guess. The later part of '71,
4 I think.

5 MR. CANALES: Mr. Chairman, if you will
6 allow me to interrupt, I failed through an oversight,
7 this is quite a web. It is my understanding also in
8 talking with Mr. Gonzalez, that when this Zertuche sham
9 terminated some of this business was then being routed
10 through a Benavides Implement and Hardware Company.
11 Again, they were brought to the Farm and Ranch Store—
12 What do they call them? An invoice register—and
13 merchandise was then routed through Benavides Implement
14 and Hardware Company.

15 Q Who was the owner of Benavides Implement and
16 Hardware Company?

17 A Rodolfo Couling.

18 Q Is that the same as R. M. Couling?

19 A Yes, sir.

20 Q Was he the tax collector for Benavides
21 Independent School District at one time?

22 A He was. He was fired about a month ago or two.

23 Q At the same time you may have been fired?

24 A Uh-huh.

25 Q Mr. Gonzalez, to the best of your knowledge,

4-61

1 are you under investigation for any criminal violations
2 at this time by any agency of government?

3 A Not that I know. No.

4 Q Internal Revenue Service or any other agency
5 of the government?

6 A No, sir.

7 Q U. S. District Attorney's Office hasn't talked
8 to you about anything in the nature of a criminal
9 violation?

10 A No, sir.

11 Q You testified before a Federal Grand Jury in
12 San Antonio on the general same subject matter you've
13 testified about here tonight?

14 A Yes, sir.

15 Q You have discussed in some detail with inves-
16 tigators of Internal Revenue Service about the same
17 general matters you've testified here tonight?

18 A Yes, sir.

19 Q Have you testified or given any information
20 to any other agency of the government concerning the
21 matters about which you testified here tonight?

22 A I didn't get your question.

23 Q Have you talked to any other agency of govern-
24 ment about the same matters you've talked about here
25 tonight other than the Federal Grand Jury in San Antonio

4-62 1 and the Internal Revenue Service?

2 A No, sir.

3 Q Those are the only ones?

4 A Yes, sir.

5 Q This is in effect the third interrogation of
6 you then, about these matters?

7 A Yes, sir.

8 Q Many of the things about which you've testified
9 here that involve Judge O. P. Carrillo occurred prior
10 to the time he became judge and while he was on the
11 Board of Trustees of Benavides Independent School District?

12 A Yes, sir.

13 Q And many of the events about which you've
14 testified have occurred since he became District Judge?

15 A Yes, sir.

16 CHAIRMAN HALE: Are there further questions
17 of this witness?

18 Mr. Hendricks.

19 BY MR. HENDRICKS:

20 Q Mr. Gonzalez, who furnished these printed
21 forms, this statement, to you?

22 A Mr. Carrillo.

23 Q Which Mr. Carrillo?

24 A O. P. Carrillo.

25 Q Judge Carrillo?

4-63

1 A Yes, sir.

2 Q Was he a judge when he furnished them to you?

3 A No, sir.

4 Q Do you know where he got it?

5 A Yes. A man from Laredo that sells office
6 supplies, by the name of Salinas, Avilardo Salinas, I
7 think, they ordered that merchandise. I mean, those
8 office supplies.

9 Q Are you speaking of the yellow form here,
10 the statement, or are you also including—

11 A Everything. Invoice forms and—

12 Q The customers' order number is printed here
13 in Austin, at the Steck Company.

14 A Well, but these salesmen could be out of
15 Laredo.

16 Q Was there ever a reorder of these?

17 A Not on that Zertuche. No. They ordered a
18 whole box, big box. I think there are still some.

19 Q You never did have to replace them?

20 A No, sir.

21 Q Now, you mentioned that you personally had
22 sent checks to the First State Bank in Alice.

23 A I did once or twice. Yes. Yes, I did.

24 Q And that was for the payment on a car
25 belonging to Arturo Zertuche?

4-64
1 A Yes, sir.

2 Q Who signed these checks?

3 A Arturo Zertuche.

4 Q The checks were made out to him, or he signed
5 the checks and they were on his bank account?

6 A They were signed by him.

7 Q They were on his bank account then?

8 A Yes.

9 Q The judge didn't give you the checks to send
10 in then?

11 A No. He told me to send that payment. The
12 judge told me to send that payment.

13 Q The check was on Zertuche?

14 A Yes, sir.

15 Q The Farm and Ranch Store didn't handle heavy
16 equipment, tractors, or anything of that nature?

17 A Well, I think that Ramiro Carrillo owned some.
18 Yes. I think he's got some.

19 Q Did you ever sell the County tractors or
20 anything of that nature through the Farm and Ranch
21 Store?

22 A No, sir.

23 Q Now this precinct barn, that is where you
24 gather all the equipment. What precinct was that?

25 A Three.

1 Q And that's whose precinct?

2 A Romiro Carrillo.

3 MR. HENDRICKS: That's all.

4 CHAIRMAN HALE: Are there further questions?

5 Mr. Maloney has a question.

6 BY MR. MALONEY:

7 Q Mr. Gonzalez, who is D. C. Chappa?

8 A Mr. Carrillo's father.

9 Q At the time that Mr. Carrillo was on the school
10 board, Mr. Chappa was president of the school board?

11 A I think so. Yes.

12 Q How about Luis Elizando?

13 A He was a board member too.

14 Q Is he any relation to O. P. Carrillo?

15 A No, sir.

16 Q How about Tomas Elizando?

17 A No, sir.

18 Q Roberto Elizando?

19 A No, sir.

20 Q During the time you worked for the Farm and
21 Ranch Store, did Judge O. P. Carrillo and his brother
22 have that store all during that time?

23 A Yes, sir.

24 Q Even during the time that O. P. Carrillo was
25 judge?

4-66
1 A Yes, sir.

2 MR. MALONEY: That's all that I have.

3 CHAIRMAN HALE: Mr. Nabers.

4 BY MR. NABERS:

5 Q Do you know anything about the Benavides Cedar
6 Post?

7 A Yes.

8 Q What do you know about that?

9 A Well, that Cedar Post has changed so many
10 names. It used to be the Duval Cedar Post and then
11 Benavides Cedar Post.

12 Q Was this another entity like the Zertuche?

13 A Probably so. Yes.

14 Q But you don't know anything about it? You
15 didn't work out there?

16 A No, sir. No, sir.

17 Q Who did? Do you know?

18 A Well, at first that Duval Cedar Yard belonged
19 to Oscar Carrillo.

20 Q Then who got it next?

21 A Romiro Carrillo.

22 Q Does Judge Carrillo have anything to do with
23 it?

24 A I don't think so.

25 Q Who is the Benavides Implement and Hardware

1-67
1 Company?

2 A That is a store.

3 Q Who owns it?

4 A Rodolfo Couling.

5 Q Who is he?

6 A The owner of the store.

7 Q Is he any relation to the Carrillos?

8 A No, sir.

9 CHAIRMAN HALE: You say Couling.

10 C-o-u-l-i-n-g?

11 A C-o-u-l-i-n-g.

12 CHAIRMAN HALE: R. M. Couling. Is that
13 the same gentleman?

14 A R. M. Couling. (The witness nodded.)

15 BY MR. NABERS:

16 Q Who was the County Attorney in 1970? Do you
17 know?

18 A The County Attorney in 1970? Randall Knight or
19 County Attorney?

20 Q Yes, sir.

21 A '70? I'm not sure. Ricardo Garcia, 1970,
22 San Diego. Is he the County Attorney? I think Ricardo
23 Garcia.

24 Q Judge Carrillo, was he ever County Attorney?

25 A Yes.

4-68

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Q When was he County Attorney?

A I don't know. I can't remember.

Q Was he County Attorney before he went on the school board?

A I think he was County Attorney at the same time.

Q He was on the school board and County Attorney at the same time?

A I think he was.

MR. NABERS: That's all I have.

CHAIRMAN HALE: Are there further questions?

MR. Kaster.

BY MR. KASTER:

Q In your testimony about calling the Highway Patrol about the guy hauling the grain in the truck with exempt license plates, about when was that?

A It was last year, in the grain season.

Q Did this come about—

A June, July, somewhere in there. August.

Q And you quit in May?

A I quit in May.

Q Was this the deal that you thought maybe you could get even with them by having the Highway Patrol pick up one of their trucks?

A No, no, no. No, I didn't have to do nothing. Not that I wanted revenge with them or something. Is that

4-69

1 what you mean?

2 Q Yes.

3 A No. It was something that was wrong and I—

4 Q Why did you quit working at the store?

5 A Well, I already told you that the IRS were
6 after me.

7 Q Oh, they were already investigating, and you
8 thought you'd better just leave while the leaving was
9 good. Then did you go to work for this Welfare at that
10 time?

11 A Yes, sir.

12 Q Still working for the County?

13 A I think so. Yes. I don't know.

14 Q You were still getting checks from the County
15 Judge?

16 A I got one last month.

17 Q No. I'm talking about from May when you quit
18 working at the store. Did you tell the County Commission-
19 er you don't want to work at the store anymore because
20 the Internal Revenue is getting too hot and you'd like
21 to go somewhere else?

22 A Well, not that, but I just didn't want to do
23 any more wrong doings.

24 Q Well, you didn't go tell him, "Look, I don't
25 want to do any more wrongdoings. I want to work for you

4-70

1 somewhere else," or how?

2 A No, I didn't tell him anything.

3 Q Who did you talk to to move?

4 A I went to the County Judge.

5 Q And who was that?

6 A Mr. Archer Parr.

7 Q Oh. And he said, "Okay, you can move somewhere
8 else"?

9 A Well, I asked him if he could locate me some-
10 where else, that I would appreciate it, and he said,
11 "well, what kind of work were you doing?" I told him
12 what I did. He said, just like I said while ago.

13 Q You were dealing with Mr. Parr instead of
14 Carrillo when you moved?

15 A Yes.

16 Q You didn't ask Mr. Carrillo if you could move.
17 You asked Mr. Parr if you could move.

18 A Yes. He was the County Judge, and I think,
19 "I'll go to him."

20 Q Was the Carrillo that was the commissioner mad
21 at you because you were changing, or do you know?

22 A Being that I was raised and born with him,
23 I greet him a lot of times, and he just turned the face
24 on me, and I get tired of greeting him so I just stopped
25 greeting him. I'm still his friend and everything; just

6-71
1 that he don't greet me. He did, by the way, about two
2 weeks ago. I went to the County Commissioners to check
3 to see if my name was there. They had that County Court
4 going on. While I was there in the court, you know,
5 I met him, and I didn't expect for him to talk to me.
6 He said, "Cleofas, your young son want to go water
7 skiing with my young son?" They're friends, the same
8 age, and they go to school together. He said, "Let him
9 go water skiing with us and I'll take good care of him."
10 I told him, "Well, let me—" I was surprized. I couldn't
11 say anything, you know. I wanted to jump on him and see
12 if I was fired, but something hit me and I got all
13 nervous, being that he talked to me and being so many
14 people there. I told him, "Well, me think about it."
15 He said, "Well, if you and your wife want to go you can
16 go with us too." I told him, "Well, let me think about
17 it and let you know." That's since I quit working for
18 him. That's the first time he talked, about a year ago.
19 About a year.

20 MR. KASTER: Okay. Thank you.

21 CHAIRMAN HALE: Any further questions?

22 Ms. Thompson has a question.

23 BY MS. THOMPSON:

24 Q Mr. Gonzalez, you stated earlier that occasion-
25 ally you would cash checks for potty cash?

4-72 1 A Well, say like petty cash. Yes.

2 Q How much were the checks? Usually how much
3 were they?

4 A About a thousand.

5 Q A thousand dollars for petty cash?

6 A Yes. Maybe more.

7 Q Was this money kept by you in the store to
8 buy just little incidental things that you may need?

9 A It was put there in the safe. Yes. They've
10 got a big safe there.

11 Q Did the Judge ever take any of the money?

12 A No, ma'am. Never.

13 MS. THOMPSON: That's all I have.

14 CHAIRMAN HALE: Mr. Chavez.

15 BY MR. CHAVEZ:

16 Q Mr. Gonzalez, since this thing started, have
17 you in any way ever been threatened by the Judge or his
18 brother or anybody?

19 A Never.

20 Q Intimidated?

21 A Never.

22 Q Physically or through court action?

23 A Never. No.

24 CHAIRMAN HALE: Any questions.

25 Mr. Gonzalez, let the Chair ask you one or two

4-73

1 more questions about these minutes.

2 BY CHAIRMAN HALE:

3 Q I notice, if these are correct copies of the
4 minutes of the Benavides Independent School District,
5 I asked you a moment ago about the October 19, 1970,
6 meeting where the minutes reflect that Judge Carrillo
7 resigned as a member of the board. The minutes of that
8 same meeting reflect that D. C. Chappa also tendered a
9 letter of resignation at that time as a member of the
10 board. Were you aware of that?

11 A Yes, sir.

12 Q The minutes also reflect the following:

13 "Luis Elizando made a motion to appoint
14 Rojelio Guajardo, Jr. in place of O. P.
15 Carrillo as a board member for Benavides
16 Independent School District."

17 A That's right. Yes, sir.

18 Q Is that correct?

19 A That is his nephew.

20 Q I was going to ask you, who is Rojelio Guajardo,
21 Jr.?

22 A Judge Carrillo's nephew.

23 Q So his nephew replaced him as a member of the
24 board when he resigned?

25 A Yes, sir.

4-74 1 Q The minutes further reflect then that:

2 "Mr. Luis Elizando also made a motion
3 to appoint D. C. Chappa as a board member
4 of the Benavides Independent School District."

5 Why would Mr. Chappa have resigned and then be
6 reappointed at the same meeting, if you know?

7 A No, sir.

8 Q And then the minutes further reflect then
9 that the board was reorganized and Mr. Chappa was elected
10 president, which position he had held at the start of
11 the meeting.

12 A That's right.

13 Q How do you explain that transaction?

14 A Well, they did it. I don't think they wanted
15 anybody else to go in there so they did it.

16 CHAIRMAN HALE: Mr. Canales, do you have
17 anything further you want now with respect to this
18 witness' testimony?

19 MR. CANALES: You might inquire with
20 the witness' relationship that there is between the
21 Judge and Luis Elizando, if there is one. I'm not sure.

22 CHAIRMAN HALE: I believe he was asked
23 that question.

24 BY CHAIRMAN HALE:

25 Q Is there any relationship between Luis Elizando

4-75
1 and Judge Carrillo?

2 A No.

3 Q Is there any business relationship between
4 them?

5 A Business?

6 Q Yes.

7 A Not that I know.

8 Q As far as you know they're not associated
9 in a partnership or some business somewhere?

10 A Not that I know, sir.

11 CHAIRMAN HALE: Mr. Canales, apparently
12 the Committee has finished with Mr. Gonzalez. If you
13 would care to add anything further at this time with
14 respect to his testimony.

15 MR. CANALES: Mr. Chairman, and Members
16 of the Committee, as far as Mr. Gonzalez's testimony
17 is concerned, the records that you have presently in
18 your hands, as far as the checks that were drawn and
19 payable to these different Benavides Cedar Post and
20 Zertuche Store and what-not, I have certified copies
21 from the authority that has possession of them in my
22 office, and should the Committee want, I am willing to
23 offer them.

24 As far as the true and correct copies of those
25 instruments there, I would assume they are true, but if

4-76
1 there is any question I would think that the Committee
2 might then subpoena those records. I believe that they
3 are true and correct, at least in my opinion, and I
4 don't think the party who brought them to me would have
5 misled me intentionally. I think they should be Xerox
6 copies.

7 I don't know anything else I can add to Mr.
8 Gonzalez's testimony other than the fact that it appeared
9 to me to indicate some possible malfeasance on the part
10 of the District Judge, and is one of my primary reasons
11 for bringing this action. Ultimately the weight will
12 lie on the Committee to determine what the facts are
13 and if the facts bear referral to the Senate for trial.

14 It is, according to my watch, a quarter 'til
15 twelve. I was informed by the Chair that the Committee
16 would like to adjourn at twelve. I don't know whether
17 it would be fair to the Committee to begin testimony of
18 another witness who would by no means complete his
19 testimony in fifteen or ten minutes. If the Chair
20 desires I'll be more than happy to call my next witness.
21 I'll put it to you.

22 (The witness, Mr. Cleofas Gonzalez, was
23 excused.)
24
25

4-77

1 CHAIRMAN HALE: Mr. Canales, we had a
2 meeting of the Committee last night for the purpose of
3 planning the method of conducting these meetings, and
4 the Committee voted unanimously at that time because of
5 the heavy work schedule on the Floor of the House, as
6 you are well aware, we're now starting sessions at nine
7 o'clock in the morning and going until about seven or
8 seven-thirty in the evening; that we would try to
9 terminate each one of these hearings no later than
10 midnight. For that reason, the Chair feels—subject to
11 the will of the Committee—that we should not start
12 another witness tonight.

13 MR. HENDRICKS: I so move.

14 CHAIRMAN HALE: Is there any dissent
15 from that?

16 MR. MALONEY: I totally agree that we
17 should not start a witness, but I think it might be
18 helpful to the Committee if Mr. Canales could give us
19 a short briefing on what his next witness will testify
20 to.

21 CHAIRMAN HALE: Thank you, Mr. Maloney.
22 Before you do that, Mr. Canales, let me ask
23 you one question that I asked Mr. Gonzalez a moment ago,
24 about the minutes of this meeting on October 19.

25 Do you have any explanation as to why Mr. Chappa

4-78

1 would tender his resignation and then be reappointed,
2 then have been reelected then as president?

3 MR. CANALES: Mr. Chairman, I have no
4 personal knowledge of any of these transactions at all.
5 I am trying to present in an orderly fashion what is
6 almost impossible to do. This web of interconnecting
7 activities, and I hope that I can present a picture that
8 is recognizable to the Committee. It is a very compli-
9 cated matter. It took me quite a while to understand
10 how the County was repurchasing its own material. And
11 consequently I think that the Committee from my summation
12 or summary of what was happening might be misled by
13 believing that I am personally familiar with it. I am
14 not familiar with it. I am only relating, or I was
15 trying to summarize what Mr. Gonzalez was going to
16 put forth to the Committee so that you could better
17 understand and ask more definite and precise questions
18 in the particular areas in which he is familiar.

19 CHAIRMAN HALE: Who do you anticipate
20 calling as your next witness, Mr. Canales?

21 MR. CANALES: I have at least two or
22 three more witnesses, Mr. Chairman. I have a Mr.
23 Rodolfo Couling, who is the proprietor, I think it's a
24 sole proprietorship, of the Benavides Implement and
25 Hardware Company. I don't know what Mr. Couling is

4-79 1 going to testify to. He is here present with his attorney,
2 and I have not conferred with him because I did not
3 want to violate any confidence or lead him into something
4 that he might not want to get into. Any testimony that
5 he gives will be on his part, voluntarily offered, and I
6 have no idea what it's going to be.

7 His attorney, I think will be with him tomorrow.
8 If I knew what he was going to testify to I could give
9 you an idea of what time—

10 CHAIRMAN HALE: Is he here this evening?

11 MR. CANALES: Yes.

12 CHAIRMAN HALE: Mr. Couling, will you be
13 here tomorrow night?

14 MR. CANALES: Mr. Couling is under subpoena.
15 He is one of those we subpoenaed.

16 We also have a Mr. F. H. Canales, who, I think,
17 is a member of the Water Board in Duval County. I think
18 a Mr. Ken Bercaw will be testifying also, and possibly
19 Mr. Joe Guerra. I believe he is from Starr County,
20 an attorney from Starr County. Those are all that come
21 to mind at this moment.

22 MR. DONALDSON: Mr. Canales, in reference
23 to the testimony that's been presented tonight concerning
24 Zertuche, and what as you outlined in your summary, before
25 the testimony started, as being a subterfuge to allow

4-80
1 purchase of material and equipment and that kind of
2 thing by political subdivisions from a company owned by—
3 at least as you have stated that Judge Carrillo was a
4 partner in that business—do you anticipate that you're
5 going— Is there going to be further testimony in regard
6 to this particular aspect?

7 MR. CANALES: In respect to the Zertuche
8 General Store and the Farm and Ranch Supply? I don't
9 suspect there will be any more because as Mr. Gonzalez
10 testified, he was the only employee of this particular
11 business. I would suspect that anybody else who would
12 direct himself to it in any type of testimony would be
13 speaking just as a matter of hearsay and gossip, and
14 would have no personal knowledge of the facts as he
15 would try to present them. He's the only one that I
16 know that could possibly have known of the goings-on
17 there except for possibly the two owners.

18 MR. DONALDSON: One other question then.
19 I believe also that you had outlined to us that you
20 were going to present probably two or three different
21 areas; one being a possible violation of penal statutes,
22 which I assume that the testimony here tonight was
23 related to that general category. Will you have others?

24 MR. CANALES: This does relate to that
25 particular category. I don't know what the new terminology

4-81 1 is, and I'm not familiar with the old terminology of
2 the old penal code or new penal code as to what the
3 categories if there are any criminal offenses involved
4 and what categories they would take.

5 This would be for the Committee or Committee's
6 counsel to determine if there are any charges that fall
7 within the criminal statutes. Obviously the impeachment
8 proceeding is not limited to criminal charges. It can
9 deal with official misconduct of any type. This is not
10 a criminal trial by any stretch of the imagination.

11 MR. DONALDSON: I understand that.

12 MR. CANALES: It's a determination of the
13 man's qualifications to sit on a bench of justice.

14 MR. DONALDSON: So the rest of your testi-
15 mony then is going to be related to those other possible
16 categories, official misconduct and those kind of things?

17 MR. CANALES: The other testimony, as I
18 said about Mr. Rodolfo Couling, I don't know what he's
19 going to testify to. I would suspect that it has to do
20 with his Benavides Hardware and Implement, which was the
21 store which picked up the sham of the Zertuche when the
22 Zertuche Store was no longer being used as the subterfuge
23 for sales to the County. What the man will testify to
24 is anybody's guess. What his attorney will allow him to
25 testify to, I don't know.

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1 The other testimony of Mr. Joe Guerra, Mr.
2 Bercaw, and Mr. Canales will deal more precisely with
3 the political questions that are going on down there,
4 and we see so often in the newspapers of removals here,
5 appointments there, and the possible conflicts of interest,
6 et cetera, et cetera. It will deal more with official
7 misconduct in office and political oppression than with
8 actual misappropriation of funds, as we have considered
9 tonight. It's a completely different field.

10 CHAIRMAN HALE: Any other comments?

11 MR. CHAVEZ: I understand there are some
12 other people in the audience that apparently may want to
13 voluntarily testify in this matter. I don't know whether
14 it is for either side or for what purpose. I am wonder-
15 ing if the Chair could explain to them when they might
16 be called or whether they should come back or should we
17 notify them.

18 CHAIRMAN HALE: Yes. Certainly the Committee
19 would welcome testimony from anyone who has any informa-
20 tion bearing on the subject matter of our inquiry. As I
21 stated in the opening statement that the Chair made here
22 this evening, the Chair does not see the role of this
23 Committee as that of prosecutor. We're not here to
24 prosecute anybody. We're here seeking evidence and
25 facts, and anyone that has any information bearing on

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1 this inquiry we would welcome your testimony.

2 If you'll make yourself known to the Chair
3 or just be here at one of our meetings. We plan to
4 meet every night this week as necessary to hear all the
5 evidence that is to be presented in this matter.

6 MR. CANALES: Mr. Chairman, I believe it
7 might be useful to those members who are here to explain
8 to them the general procedure of a Committee, which would
9 be to present the pros, and then all of those who are
10 speaking against it, that is the method that this Commit-
11 tee will be using.

12 CHAIRMAN HALE: That will be the method
13 that the Committee will use. Mr. Canales will present
14 all the witnesses and evidence that he has at his
15 command bearing on this matter, as we have started on
16 here this evening. Then if there are any others who
17 have testimony that they would like to present, that
18 they think bears on this from the standpoint of sub-
19 stantiating charges of misconduct against Judge Carrillo,
20 we'd be glad to hear those and welcome those.

21 Then at that time the Chair will recognize
22 Judge Carrillo, if he cares to testify, or any witnesses
23 that he cares to present, or any evidence that he cares
24 to present in connection with any of the charges that
25 were made against him.

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1 MR. CANALES: I'd like the record to
2 reflect, Mr. Chairman, that the amount of witnesses that
3 I have here is not necessarily to reflect the amount of
4 witnesses at my command. It's just that if I presented
5 every witness at my command we would have repetitious
6 testimony from now--well, however long it takes to present
7 testimony to cover thirteen or fourteen years. It would
8 be repetitious in nature, and in an effort to be expedi-
9 ous, I'm trying to present matters just once by single
10 witnesses. If the Committee would prefer to have several
11 witnesses to review the same matter--in this particular
12 instance I don't think there are any more--but the ones
13 dealing with official misconduct and political oppression,
14 I could bring any number, if that's what the Committee
15 would like.

16 CHAIRMAN HALE: Mr. Canales, I don't
17 think it's for the Committee to determine how many
18 witnesses you present. I think you're going to have to
19 weight that carefully yourself.

20 Let me say this, to the extent that the Chair
21 is not overruled by the Committee, I'm going to attempt
22 to have the Committee hear every witness that you want
23 to present. We want to move this matter expeditiously;
24 I don't want to prolong it unnecessarily. At the same
25 time, we're not going to rush this thing to judgment

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1 without hearing the full facts, so you be governed
2 accordingly in how many witnesses you want to present
3 here.

4 MR. CANALES: Thank you, Mr. Chairman.

5 Do you want another witness?

6 CHAIRMAN HALE: No, not tonight. Not
7 tonight.

8 Members of the Committee, before we terminate
9 this evening, it's been suggested to the Chair by one
10 of the members of the Committee that it might be an
11 excellent idea for the Committee members themselves to
12 remain here for just a moment after we sort of allow the
13 audience to clear out to sort of discuss this matter
14 briefly among the Committee members. If you all could
15 remain for just a moment.

16 The Committee will stand at ease for just a
17 moment to allow our guests to leave.

18 Let the Chair on behalf of the Committee thank
19 every one of you within the audience tonight. You've
20 been a very patient and attentive audience. There has
21 been a minimum of disturbance. We will welcome you back
22 to any further hearings of this Committee.

23 (Whereupon, the hearing was recessed, to re-
24 convene at 7:30.)
25