

Jury Finds Henry Perreault Guilty

(Continued from Page One)

by tracing the cheques to service stations in which DeLuca subsequently became interested as a partner," the defence held. The accused should be considered innocent by the jury until the crown had proven beyond any reasonable doubt that he was guilty, he said. "The onus is on the crown and on the crown alone."

"The evidence of DeLuca—is it to be believed? That is a question you must consider very carefully." He suggested a twofold motive for DeLuca's evidence. First, that he had pretended to turn King's evidence with the hope of leniency being shown and secondly that he had been attempting to carry out a threat that Perreault had said DeLuca made of involving him in the affair if he told town officials.

Conflicting Evidence
DeLuca had a "handgong book" when he was in the stand, Mr. Schroeder said. He had sworn that he did not take an active part in the management of the service station from October, 1934 to April, 1935, yet the two service station managers had sworn that he was around there sometimes during the day and almost every night. He had also sworn that he had made no payments on the agreement to buy the share of the service station, yet Perreault said the little red passbook contained a record of that. He had sworn that only he and Perreault had cashed the cheques, yet he later said that Annie Prince, Germaine Joannise, Gladys Thomas, Mrs. Thomas, Ralph DeLuca and his wife had on occasion cashed the cheques for him.

DeLuca swore that he had not left a message for Perreault to see him at one of the service stations, yet Perreault swore that he had received the message there. DeLuca said he had helped Charette in the making out of

statements, yet Charette said he had not, the defence told the jury.

The defence suggested that the bad cheques had reached the Mattagami Service Station account through DeLuca. In making up the cash for the service stations, the lawyer said, it would have been an easy matter for DeLuca to substitute cheques for cash before handing it over to Perreault for deposit.

Mixed Personal and Business Funds
"How did the town cheques get into Perreault's private account? you may ask," said Mr. Schroeder. Perreault carried the service station money as well as his own personal money around with him in his pocket, he told the court, and in making a deposit he might just have used one of the town cheques in place of cash or as a share of the profits.

The nine thousand dollars was a large sum for DeLuca to agree to pay for an interest in the service stations, the defence agreed, and Perreault admitted that it a good bargain for him. He had purposely placed the figure high so that DeLuca would not continue asking him for an interest. In regard to the suggestion that Perreault knew how poorly off DeLuca was, the defence said that Perreault had been told that DeLuca had a mortgage of \$2,000 due from Charette and that DeLuca's godfather would back him.

The suggestion that DeLuca had paid \$1,150 more than the \$1,000 agreed as the cash involved in the deal, was not regarded by the defence as important. "If he wanted to pay more there's nothing to prevent him," the defence held. Perreault had charge of the special account in the town office, Mr. Schroeder said, and there was no reason why he should not cash cheques if DeLuca brought them in to him, explaining that someone had brought them in to the engineer's office. If Perreault had received a cheque from Chief Paul in February, 1935, for \$23 and had not deposited it until March, there was nothing wrong with that, the defence said. The town had lost nothing.

Bought Truck Together
The buying of a truck for \$600 by Perreault and DeLuca was just an ordinary business partnership, it was stated. The two of them had thought they could get some work hauling gravel on the highway.

Referring to the falsification as a whole, Mr. Schroeder said: "The prosecution says one man could do it. That does not prove that Henry Perreault was the second, third, fourth or fifth man. Maybe someone else was working with DeLuca. He knew the system, he alone had charge of the payroll book. The fictitious relief bills could have been placed in the basket on the desk in the main office by DeLuca without Perreault knowing anything about it, the defence held.

The prosecution had tried to make out that Perreault was the only one who could erase the service station endorsements from the backs of the fictitious cheques after they had been returned to the town by the bank, the defence said. At noon the door of the town vault was often given only a half twist, it had been stated, and DeLuca could have had access to them then. It was when he was coming to the end of his rope that the erasures had been made, the defence said.

The \$400 cheque drawn on the account of "E Gonsales" in Schumacher in favour of Perreault was explained by the statement by Perreault that DeLuca had told him "Gonsales" had owed him money and that when "Gonsales" had gone to make out the cheque, DeLuca had asked that it be made out in favour of Perreault.

"Why was no record kept until October, 1934, if the agreement was made in May, 1933?" asked the defence in regard to the little red pass book, which DeLuca claimed was a record of the money they had taken from the town and which Perreault claimed was a record of DeLuca's payments to him on account of the service stations.

The evidence of Ralph DeLuca, who swore that he had gone to a Schumacher bank with Perreault on two occasions and had been handed money for deposit in the Gonsales account, should not be taken too seriously, the defence advised.

The relief bills were prepared by Perreault, the deposit slips were prepared by Perreault, the crown had claimed the defence said. The deposit slips had been produced. "Why doesn't the crown produce those bills?" asked Mr. Schroeder.

Could Have Been Avoided
"All the frauds could have been avoided if a little common sense had been used in the audit," he said. They should have compared the time book with the payroll."

Pages 151 and 152 of the payroll did not indicate anything against Perreault, the defence said, but rather against DeLuca. The insertion of the pages had been done when Miss Jackson was away ill at one time.

The evidence of the handwriting experts was of little value the defence said. "There's never been a case known where the crown gets a handwriting expert that the defence couldn't get one to contradict him," Mr. Schroeder said.

"Now as to the increase in the assets of Henry Perreault in one year," said counsel, "those are bank statements. When we make statements to the bank, we certainly don't show a building worth \$10,000 as worth \$5,000." The values were inflated, he claimed in order that the bank might grant credit.

In 1931-32-33 Perreault had assets, it was stated. He had been in an orchestra, had a half interest in the St. Charles hotel, and had made money on the sale of town lots, but there was no evidence to show that he had lived extravagantly. DeLuca's prosperity had shown, counsel stated, in the hiring of a maid, in buying furniture, in paying for an illness of his wife's and in buying two cars within a short time.

Perreault Was Confused
Perreault was in a confused state of mind when the frauds became known to him, counsel stated, and he might

have tried to get in touch with Mr. Montgomery at about nine o'clock instead of eight o'clock, as his sworn statement showed.

The most important bit of evidence was when Perreault stated that he had asked the town engineer to O.K. the payroll. "Wouldn't he have been a fool, if he had been guilty, to urge MacLean to O.K. the payroll book when there was a chance that the fraud would leak out?" Perreault is not such a fool.

Perreault's character was shown to be good, counsel said. He had succeeded by honest toil, Mr. Schroeder told the court.

He concluded with a strong plea to the jury to bring in a verdict of "not guilty."

Judge Caron granted a 15-minute recess before the crown addressed the jury.

Mr. Caldbeck's address was almost equally long. During the previous address it had been pointed out that the deal on the service stations was a poor one for Perreault because Perreault only got \$1,000 cash for the half interest in two stations. It had also been pointed out that it was a poor deal for DeLuca because the \$9,000 total was much more than the places were worth.

Romeo Didn't Want Ralph Involved
Ralph DeLuca had not been brought to the trial at the instance of Romeo, the crown said. Romeo had expressly said he did not want his brother to appear. "It was only when it was seen that it was important that he was brought here," the crown said.

"All records of the town have been available to the defence. Anything Mr. Sauve asked for, he got," Mr. Caldbeck said, referring to the defence's suggestion that some evidence had been suppressed. The defence could also have called any other witnesses it wanted to, he told the jury.

It was true that Romeo DeLuca was an accomplice, a confessed criminal awaiting sentence, he said. But he had had no assurance from the crown and none from the court that any leniency would be shown.

DeLuca is not an accountant the crown attorney told the jury, and had gone into the town office from high school where he had been studying engineering of some sort. Timmins is no small town, he reminded them, and when last year a total of \$180,000 was paid out in relief, a bookkeeping system must necessarily be an intricate one. "Romeo DeLuca is not capable of perpetrating this fraud on the town alone. He didn't know enough about the system of the town," Mr. Caldbeck said.

He advised the jury to compare the ability of the two men. "Perreault has more than average intelligence," he told the court, "is a competent accountant, bookkeeper." He is bright in every respect, the crown said, and is an exceptionally fine handwriter. DeLuca is not only penniless but owes money, he said.

"It struck me that truth stuck out all over DeLuca," said Mr. Caldbeck. "Compare him with Perreault. During the whole three hours Perreault was on the stand, he didn't give one spontaneous answer. Every time he answered he had to give an explanation first."

Had No Motive
DeLuca had no motive in trying to drag Perreault into it the crown attorney said. It was no advantage to him.

The DeLuca story, as summarized by the crown, was that he had earned \$100 a month; that he had borrowed small sums from Perreault; that he had lived near Charette's store and had helped the man with his accounts. When he had applied to Perreault, he suggested an "easy" way of making money. They had put the first cheques through Charette's, DeLuca cashed them through Charette's, DeLuca came nervous and had wanted to quit. He had asked Mr. Montgomery to see if it were possible for him to get a job out of the town hall. The service stations had then seemed a logical place to cash the cheques. If anyone wondered, they would think that the cheques had just been cashed at the service station as a courtesy to people. The erasure of the endorsement from the backs of the cheques had made it even more difficult to trace. But in the 50 cheques produced that had been traced to the Mattagami service station account, the Sub-Way service station or Henry Perreault, Jr., personal account, all of them "bad," only one had the endorsement of the account left on it.

Got Nervous Again
More nervousness led to the opening of the Gonsales account, the crown stated. In regard to the evidence of Ralph DeLuca, who said he had been taken over to Schumacher twice by Perreault to make deposits in the Gonsales account, the crown said there was no reason that Ralph should not be believed. His demeanor on the stand showed that he was telling the truth, the crown said. On the \$400 cheque that had been drawn on the Gonsales account in favour of Perreault, both handwriting experts agreed that the words "in payment of note payable" were written in the same ink and at the same time as the Henry Perreault, Jr. endorsement on the back. Yet Perreault had said that he had just endorsed the cheque, that it had been given to him with those words on the front.

"We can't bring the evidence of persons outside of DeLuca who saw Perreault forge the cheque," said Mr. Caldbeck, "they were as careful as could possibly be to cover up all the traces." The DeLuca story agreed in every particular with the rest of the evidence presented, the crown said, but the Perreault story was exactly opposite in each particular.

Mr. Caldbeck produced the statement sworn to by Perreault the day after the frauds were discovered. Although he had learned of the thing at about six o'clock the evening before, he had not told anyone about it until the next morning. Then it was the mayor to whom he went and not his superior at



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the town hall, Mr. Montgomery. The accused said he had tried to get in touch with Mr. Montgomery by telephone at eight o'clock the evening before, yet Mr. Montgomery had been in all evening until nine and the telephone had not rung.

Let DeLuca Escape
"What is the effect of this delay?" asked the crown. "It gave DeLuca 14 hours to get out of town. What if he had waited until the following day and Romeo DeLuca had been able to get out of the country?"

The partnership business was the best defence Perreault had, the crown suggested, and it had been prepared as a blind just in case the thing ever was exposed. It had been drawn by Perreault, who was by way of being a lawyer. If the two service station men knew of the partnership agreement as they had sworn, they were the only ones who did. Not even the bank had heard of it, and the agreement had never been registered. "DeLuca said it was an absolute blind. He never paid a five-cent piece and it was never intended that he should receive a half interest in the business," the crown told the court.

If the little red passbook were, as Perreault claimed, a record of payments made by DeLuca on the service sta-

tions, why were DeLuca's initials on it? the crown asked. Why were loans of \$90 and \$250 shown on it? Why was the book found in the possession of Perreault's solicitor by police?

Holding up the two little books that were supposed to be the books of the service station, Mr. Caldbeck asked: "If this had been a legitimate partnership, don't you think that with an accountant-handling the thing, we'd have had something other than these two little books to show?" The "sale" of the station for \$1,000 cash was absurd, the crown held, since all Perreault would receive would be that amount for an amount for an interest worth many thousands. The rest of the \$9,000 purchase price was to have been paid out of profits, all of which would have belonged to Perreault otherwise.

Significant Dates
Perreault said DeLuca told him and Miss Jackson that he wasn't earning enough money and he was doing some work for Charette, the crown said the evidence showed. Yet Miss Jackson had said that DeLuca had said nothing of the sort. "Isn't it significant that the 'bad' town cheques only started going through the service stations after the agreement was signed? Isn't it significant that after they stopped in February, the Gonsales account was opened in Schumacher?"

One cheque in particular led the crown to believe the story about DeLuca putting in the town cheques to be false. One cheque bore the date December 31st, 1934. The deposit slip for the service station showed that it had been deposited the same day. If what Perreault had said about DeLuca making up the cash was true, this cheque would not have been deposited until the following day, the crown said.

The mere fact of DeLuca taking the cash from the stations every night would not give him any idea of how much profit the places were making, the crown said. Perreault had stated that it was for this reason he had allowed DeLuca to make up the cash.

"Wouldn't you think that the large number of town cheques going through the service station accounts would have aroused Perreault's suspicions, if he didn't as he says, know anything about the frauds?" asked the crown.

"He must have thought that he was cashing nearly all the cheques in the town of Timmins."

The crown asked the jury to remember that Perreault was a careful accountant, yet he had mixed up this statement with his own to such an extent that when he wanted to make a deposit in his own account, it was often that he used fictitious cheques that the said DeLuca had put in with the service station cash.

Analyses Town Account
The crown made a searching analysis of the special account of the town of Timmins over which Perreault had control. He suggested that Perreault had taken in, between February 18th and February 27th, some \$284.87 in cash, together with a cheque for \$23 from Chief Paul. He had then placed two fictitious cheques amounting to \$300 in the cash box, extracting the cash and depositing the cheques with \$7.87 only in currency. The Paul cheque had not appeared on a deposit slip until March 15th.

The crown didn't use the handwriting expert's testimony much, but did point out that Judge Caron had called

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Mr. Ince's attention to a cheque on which Mr. Ince denied that Perreault had done the forging, as Mr. Shaw had stated. The judge asked Mr. Ince if the signature was not in the same hand as the face of the cheque. Mr. Ince had agreed that it was. Yet Perreault had admitted filling out the face of the cheque.

Mr. Caldbeck asked that a verdict of "guilty" be returned.

Judge Instructs Jury
Judge Caron went over the charge carefully, explaining in detail just what was meant by it. "This courtroom has been flooded with bum cheques," he said in summing up the evidence, "all made out to false persons. Perreault should have been suspicious of all these cheques that DeLuca was giving him. Apparently he took it very nicely."

"The audit for the past two years was a very loose audit—in fact it was no audit at all," said the judge, but reminded the jury that they were not asked to consider that part of the business.

"What did Perreault do when he heard of the thing?" he asked. "He should have gone right away—delayed his supper somewhat. But instead, he went home, had his supper, didn't phone anybody and made this statement he produces. Even if he did phone at nine, he was not in any great hurry. DeLuca was gone. He gave him 14 hours to escape."

Referring to a false cheque with which Perreault paid a meat bill, the judge said: "What is the idea of Perreault giving a town cheque in a false name when he says he generally had plenty of money in his pocket?"

The evidence of Ralph DeLuca was not given at the instance of Romeo, the judge agreed.

Perreault was perfectly conversant with conditions in the DeLuca house, the bench stated, for the two were thick friends. Perreault had been going down there every noon and evening, according to Miss Prince's evidence.

Questions Service Station Agreement
"I'm afraid it would take a long time to pay for that service station. There 500 families receiving relief in North is nothing to show a profit for De-

Luca. His name does not even appear on the books of the Mattagami or Sub-Way service stations."

Speaking of the red pass book, Judge Caron said: "Perreault says DeLuca paid another \$1,150 he didn't have to pay at all." Perreault had signed for all the amount except the last—the \$400 Gonsales account cheque.

Looking over the evidence for the defence, Judge Caron stated that Mr. Chateauvert's testimony couldn't mean anything for he had signed the payroll book without looking at it. He was not expected to check it. The managers of the Mattagami service stations said that DeLuca had been almost every noon and evening. One of them had tried to say that Ralph DeLuca had not gone to Schumacher one day with Perreault, but it was later shown that he was inside at the time and could not have been seen anyway.

"For Perreault's evidence—you have seen his demeanor in the witness box; it is for you to decide whether he is telling the truth or not," he told the jury.

"There has been more than \$15,000 stolen from the town of Timmins—DeLuca doesn't seem to be any richer," he said.

The final bit of evidence the judge called to the attention of the jury was that the two men had bought the truck together.

At nearly five o'clock, Judge Caron told the jury that they might remain out as long as they wished—even if it took all night. Although it was desirable that they bring in a unanimous verdict, they could bring in a report stating that they were unable to reach a verdict.

INCREASE IN NUMBER ON RELIEF IN NORTH BAY CITY

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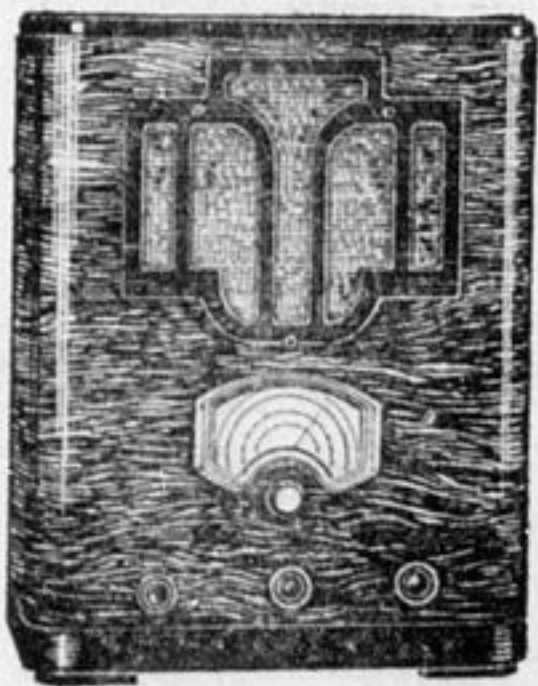
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