

# Sumler says he diverted funds

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crimes with which he is charged.

Sumler, Alderman Larry Womble, former alderman Patrick Hairston, and Rev. Lee Faye Mack were indicted by the FBI on charges of political corruption that included racketeering. Racketeering charges, which carry the heaviest penalty, were dropped against Mack last week and dismissed against Alderman Womble on Tuesday.

Mack will face charges of perjury and obstruction of justice in a later trial, and Womble still faces four counts of extortion. Hairston and Sumler face a number of charges alleging that they pressured business leaders into hiring Sumler's company, Associated Consultants, and donating money to charities in exchange for favorable votes from the aldermen.

Some supporters of Mack and Womble say that the dismissal of racketeering charges against them proves that the government's case was racially motivated, but that argument seemed less effective this week when Sumler took the witness stand.

Throughout the day Tuesday, Sumler admitted that he had diverted thousands of dollars he solicited for charities, that he cashed checks which were intended for charities and kept the money in his house, and that much of the money ended up with sources very close to him: his consulting business, his tabloid newspaper, and a charity run by his wife.

Sumler's testimony was confusing at best. When Assistant U.S. Attorney Doug Cannon showed him a letter on his letterhead, Sumler testified that it was not his letter.

The letter, dated 1988, included a list of non-profit organizations to which Sumler said he had distributed monies given to him by Winston-Salem businessman and FBI informant William Smith. The government charges that Sumler used most of the money for personal uses.

Sumler testified the letter was not a true account of where the money went.

"I outlined this information and left it for my secretary," he said. "It contains some information I wrote, but there are some explanations left out and even I made some mistakes."

The letter states that \$1000 was given to the NAACP.

"Did you cause \$1000 to be given to the NAACP from Bill Smith?" asked Cannon.

"Not in all cash, no," Sumler replied. He explained that the money went to purchase advertisements, most of which were printed in a tabloid he publishes, the AC Phoenix.

The letter stated he gave \$1000 to the NAACP youth, but he could only account for \$500, which he said he gave to the NAACP Youth Director, who was his wife.

The letter stated he gave \$1000 to the Liberty East Rehabilitation project, but he had no receipt to prove so. It also stated he gave

\$2000 to PATH (People Are Treated Human), a group of which he was president.

"I don't think we had a bank account then for PATH," he said. "I don't think I put it into the account. I don't know when I disbursed the funds. Anyway, that letter was just a general outline of where funds went."

In 1987, Naegele Outdoor Advertising employed Sumler's services and gave him \$10,000 to give to non-profit groups, but Sumler could not produce receipts to prove it.

Most of that money he had advised them to donate to two groups of which he was president, AC Cultural and Educational Commission, and Atramento Casa, formerly the Dungeon Club. He testified that he did not tell Naegele officials that he was president of those groups. At the time, his mother-in-law was one of the few board members of PATH, and his sister was one of a few board members of AC Cultural and Educational Commission.

He engaged in fundraising activities for the Guilford Community Action project (GAC): about the same time he advised Naegele to donate \$2000 to GAC. Cannon produced \$2000 worth of checks from Naegele to GAC which were endorsed by director Earl Jones and signed over to Rodney Sumler.

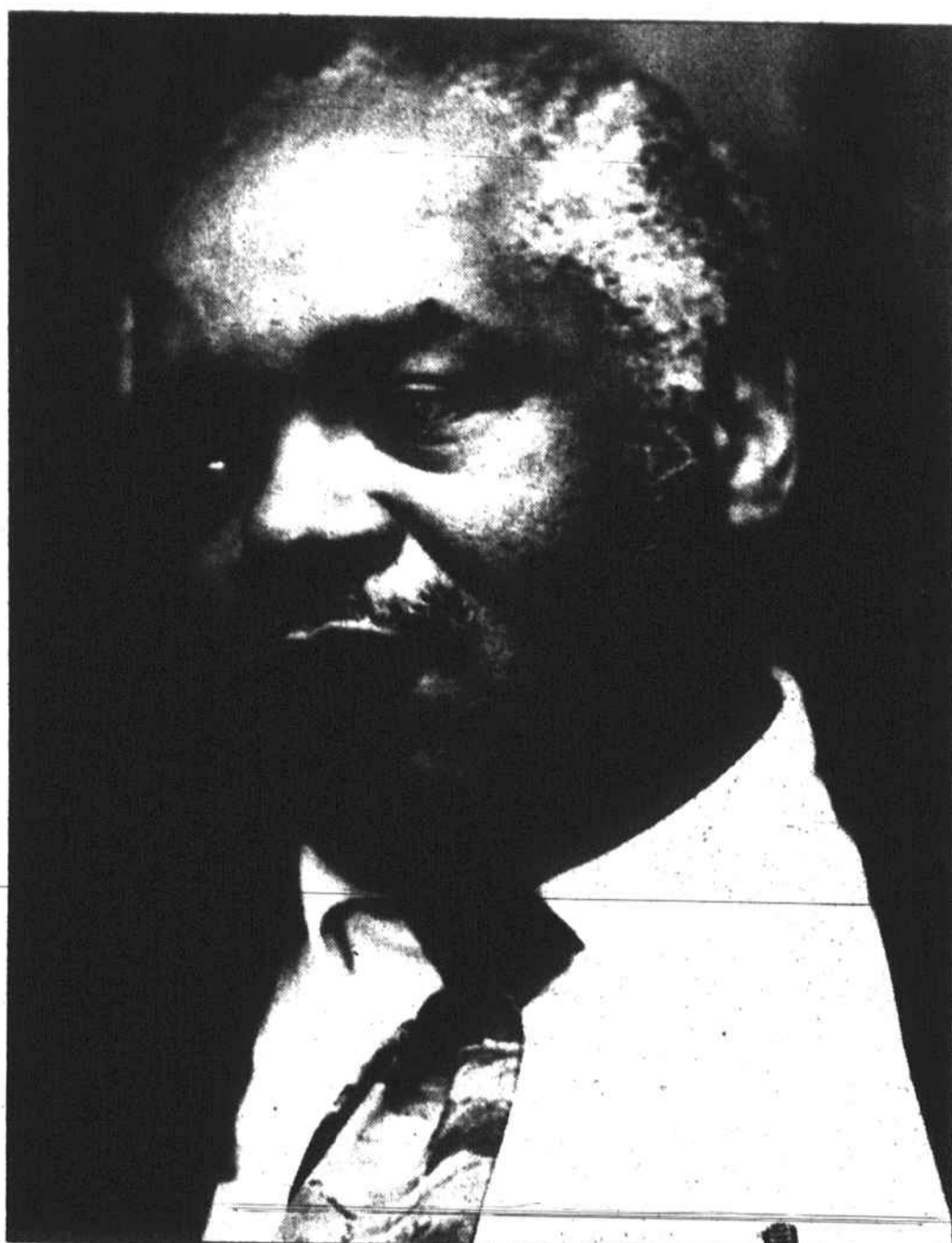
"I cashed them as compensation for work I did for them," he said, clearly irritated. But Jones stated that they canceled the fundraising contract with Sumler because he was unable to raise any money beyond his own fee.

Throughout Sumler's first day on the witness stand, his attorney, John A. Dusenbury III, repeatedly objected to Cannon's questions, but Judge William Osteen overruled them. Sumler was left to answer direct questions about what he had done with charity money.

## Womble elated

After Judge Osteen dismissed the two racketeering charges against him on Monday, Alderman Larry Womble came close to showing emotion as he stepped through the swinging gate that separates courtroom participants from the audience, and sporting a very wide smile, said, "I am elated with the decision the judge has made, and I'm confident these charges will prove to be false. You haven't seen me downtrodden and disappointed. I'm still smiling, still shaking hands. After this is over with, I will be vindicated. I have complete trust in the court."

In dismissing the racketeering charges against Womble, Judge Osteen said he felt that Womble had no knowledge of Sumler's actions, and that the prosecution had failed to prove any relationship between Sumler and any of the organizations that were involved in the so-called conspiracy.



Rodney Sumler testified Tuesday that some of the monies intended for charities ended up with sources close to him.

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