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County Audit UnCOVERS Errors

By BILL STUDENC
Editor

An audit of county records has uncovered several improperly documented financial transactions that took place during the waning days of office of the former Madison County Board of Commissioners.

The audit has led to questions from the current commissioners about the financial practices of the former board and its employees.

J. Roger Gregg, certified public accountant with the Asheville firm Gregg & Lasher, P.A., recently conducted an audit of Madison County finances from Dec. 1, 1985, through Nov. 30, 1985. Gregg gave the results of that audit to the new Madison County Board of Commissioners at its meeting Monday.

Among the findings of the audit are a "significant increase" in county checks to certain commissioners and employees in the months following the May primary.

The former commissioners -- James Ledford, Ervin Adams and

Virginia Anderson -- lost in their bid for re-election, failing to win the Democratic Party nomination in May.

That defeat in the primary meant that the commissioners were "lame ducks" until a new slate of commissioners, which would be elected Nov. 4, took office Dec. 1.

And it was during that post-primary period that many of the financial discrepancies found by the auditors took place, Gregg said.

Among those discrepancies are, according to the audit report, improper payments for sick leave and annual leave, county checks for higher than usual travel expenses, an increase in business transactions owned by commissioners and with other "parties related to the commissioners" and inadequately documented expense payments.

The audit report also indicated that the former county commissioners had overappropriated money from the county's fund balance to meet budget expenditures.

Gregg, during his presentation Monday, showed the commissioners several "questionable" vouchers, check stubs and expense accounts.

Named on those documents were commissioners Adams and Anderson; Anderson's husband, Harold, and former county finance officer David Caldwell.

"I am not stating for the record that these are illegal," Gregg said. "We are saying that the documentation isn't there in all instances to make a determination. There are things here that look like we could have a problem with."

Commissioners were cautious in their response to the audit and its findings.

"Some of these things I have a lot of questions about," Commissioner Reese Steen said after listening to Gregg.

"I don't want this to be perceived as a witch-hunt on the last three commissioners. I want to look through

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Photo by Bill Studenc

Accountant Roger Gregg and Madison County Commissioner Reese Steen examine county financial records during Monday's meeting of the Board of Commissioners. Gregg told the

board his audit produced several examples of improper documentation of financial transactions.

State Asked To Investigate Accident In Hot Springs

By BILL STUDENC
Editor
and ANNE KITCHELL
Staff Writer

Thomas Rusher, district attorney for the 24th Judicial District, has asked the N.C. Attorney General's Office to investigate a New Year's Day accident involving Hot Springs Police Chief John Barrett and a former Madison County commissioner.

In a prepared statement released at about 12:30 p.m. Wednesday, Rusher said he has asked for a

special state prosecutor to look into allegations that Barrett was intoxicated at the time of the accident, and at Barrett's counter-allegations that the charges are politically motivated.

Rusher's call for the involvement of the N.C. Attorney General's Office comes after several days of preliminary investigation by Rusher.

"I have this day requested the office of the special prosecutor in the Attorney General's Office to conduct such investigation as he feels is justified relating to the allegations and cross-allegations involving the

New Year's Day incident in Hot Springs," Rusher said in the statement.

"It is my position, based on preliminary interviews, that there exists a wide discrepancy in the various accusations and allegations which are being made by both sides, including allegations that the matter is politically instigated," he said.

"It is my thought that someone having no connection to local politics should make decisions relative to this matter to the extent that the special prosecutor will handle the matter, and that I will thereafter not be in-

involved," Rusher said.

The one-vehicle accident, which occurred shortly after midnight on New Year's Day, totaled the only patrol car in the town of Hot Springs.

Rusher, on Monday, began looking into allegations that Barrett may have been drinking alcohol prior to a New Year's Eve party prior to the accident.

Barrett has denied that he was drinking before the accident, and has called the allegations "ridiculous and politically motivated."

"For every person saying I was drunk or acting inappropriately, there's probably a ticket or some incident motivating them," Barrett said.

Rusher said he was unaware of the incident and surrounding controversy until after he read about it in local newspapers.

"I am concerned about potential allegations that he was under the influence. If we find witnesses who say he was drinking, then we will probably have him arrested and prosecute him," Rusher said Tuesday.

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Ponder Named In Indictment

By ANNE KITCHELL
Staff Writer

A Madison County grand jury handed down a bill of indictment Tuesday charging Democratic Party leader Zeno H. Ponder with conspiring to profit from his former position on the N.C. Board of Transportation.

The indictment charges Ponder with using for personal profit information he acquired while serving on the state board.

A bill of indictment was submitted to the grand jury by 24th Judicial District Attorney J. Thomas Rusher, a Republican.

According to the indictment, Ponder gained knowledge of pending state approval of the construction of a public road. Ponder is charged with secretly purchasing land near Madison County for the purpose of monetary profit, putting others at a financial disadvantage.

Ponder was unavailable for comment Wednesday morning. His wife, Marie Ponder, said they

had received no notice of the indictment.

"This is another case of political harassment," she said.

Zeno and Marie Ponder, nephew Leonard Ponder and business associate Marshall Kanner were previously indicted by a federal grand jury on 17 counts of mail fraud in connection with land purchases.

U.S. District Court Judge Woodrow Jones dismissed those charges in January 1986 following two days of testimony in federal court.

Rusher said he conferred with Randolph Riley, district attorney in Wake County until Jan. 1, before submitting the bill of indictment to the Madison grand jury.

"In the end, both concurred that it was appropriate to submit the bill of indictment to the grand jury," Rusher said in a prepared statement.

"The district attorney will bring this matter on for trial as promptly as possible consistent with due process of law."



Photo by Ann Kitchell

Hot Springs Police Chief John Barrett shows the town's new patrol car, a replacement for the car he totaled in a New Year's accident.

County Commissioners Approve Ambulance Rate Increase

By BILL STUDENC
Editor

Residents who make use of Madison County Emergency Medical Service ambulances will now pay a higher fee for rides to hospitals and doctors' offices.

The Madison County Board of Commissioners unanimously agreed Monday to adopt a new fee schedule for the county ambulance service.

Eddie Fox, emergency management coordinator, had asked the commissioners in December for the rate increase.

Among the rate changes approved by the commissioners is a 100 percent increase in the fee that the ambulance service will charge when waiting for a patient during a doctor's office visit.

Patients will now be charged \$20 an hour for each hour over 30 minutes that ambulances are required to wait during a routine doctor's office visit.

Prior to the change, those patients were charged \$10 an hour for every hour over 30 minutes.

Fox had asked the commissioners to increase that waiting fee to \$25 an hour for visits longer than 30 minutes.

"Right now, that waiting fee is \$10 an hour. You've got a unit tied up outside the county and two people just waiting," Fox said.

"It is my suggestion that we go up on the waiting fee from \$10 an hour to \$25 because a lot of these people would ride in a private vehicle, but they don't because it's cheaper to call us," he said. "This would cut down on our units being tied up outside the county."

Buncombe County charges \$25 an hour for such services, Fox said.

But Commissioner Reese Steen, in making a motion to approve Fox's recommendation, asked that the waiting fee be set at \$10 an hour for time over 30 minutes.

Steen also asked if 30 minutes is a reasonable amount of time for a patient to get in and out of a doctor's office without incurring the additional expense. Fox said that it is.

Fox had also recommended a 100 percent increase (from 75 cents a mile to \$1.50) in the mileage fee charged for trips outside of the base service area -- that is, inside Madison County and to Asheville hospitals.

Steen suggested that the board consider the hospital in Greeneville, Tenn., to be within the base area, because it is closer to some sections of Madison County than are hospitals in Asheville.

Robert Cappe, chairman of the Madison County Board of Commissioners, agreed.

Here's a look at the new rates being charged by the Madison County ambulance service:

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Marshall Hits Roadblock In Recreation Repair Plans

By BILL STUDENC
Editor

Marshall officials may have hit a roadblock in their attempt to divert more than \$80,000 in unspent state grant money on rehabilitation of the town's crumbling recreation center.

Sam Parker of the Marshall Housing Authority told the Marshall Board of Aldermen Monday night that rehabilitation and repair of the recreation facilities would have a low priority on the state's funding list.

And that has forced town officials to sit back and rethink their plan of action.

The board, at its November meeting, asked Parker to check with the N.C. Department of Natural Resources and Community Development to see if leftover grant money could be used for some much-needed repair work at the community recreation center.

That money -- more than \$80,000 -- is left over from NRCDC grant funds used for a water line and housing repair project on Island Road and a sewer line project on Cody Road-Chandler Drive.

Parker has investigated the town's chances of actually being allowed to use the leftover funds for the recreation center. Those chances are not exactly exceptional, he told the board Monday.

"What I was told by NRCDC was that the rehabilitation of a community center is far down on the priority list as far as the town's chances of getting approval for grant money," Parker said.

Projects that meet basic needs -- that is, water, sewer or rehabilitation -- within the target area will have the best chance of receiving state approval, he said. The target areas in this case are Island Road and Cody Road-Chandler Drive.

Next on the state priority list are projects that meet basic needs in areas adjoining the target area. Projects that meet basic needs anywhere in the town limits are third on the priority list.

"She did not say it (the recreation center work) would not be funded," Parker said. "She said the state would look closer at addressing the basic needs in the target area, then an adjoining area, then in the city limits, and then a rehabilitation center."

An additional concern to the town is a state requirement that 51 percent of the people served by the project must be low to moderate-income.

After hearing Parker's presentation, the board began discussing how to spend the extra money.

"Lord knows, we've got rehabilitation that needs to be done everywhere, but \$80,000 is a little to spread around," said Alderman John Dodson.

Town officials again discussed the possibility of using the money for a much-discussed, long-delayed housing rehabilitation project in the Cotton Mill Hill area.

Parker, at the November meeting, warned that the available money would not be sufficient to maintain all of the houses that need repair work.

He reiterated that concern to the board again Monday.

"We could do maybe four or five of the 10 to 12 houses up there that need rehabilitation," he said.

But, if the town opts to use the money in the Cotton Mill Hill area, that will virtually guarantee no state funding for the remaining houses in the future.

"The important thing is that we don't let the money go back to NRCDC," Parker said. "We have to come up with a project that is acceptable to address the basic problems of the city."

Dodson asked how much time the town had before it had to make a decision on the expenditure of the leftover money.

"Not tomorrow, but I know they are interested in getting the projects closed out, the money spent and the process done with," Parker said.

Alderman Ed Niles made a motion that the board table the issue until a later meeting.

"Let's carry it over until next time," Niles said. "Let's think on this a little while. There are plenty of sections in town, as far as water and sewer, that can use it. We certainly should use it, rather than let it go back."

The board agreed to table the matter.

Later in the meeting, Dennis Reese, leader of Marshall's Bay South group, asked the board to learn the reasons why the Bay South

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