

ESC Got 32 Convictions For Fraud In Unemployment Insurance Claims

In the Gastonia district of the Employment Security Commission, which comprises Kings Mountain and all of Gaston County, except the Cherryville section, during the twelve month period ended June 30, 1953, a total of 126 investigations were made involving possible fraud in connection with claims for unemployment insurance.

A total of 48 persons were prosecuted for fraud, with 32 convictions and 16 acquittals. The fraud prevention and detection program in this area is handled by Durward E. Morrow, claims deputy, who is located in the commission's Gastonia office.

Henry E. Kendall, chairman of the Employment Security Commission of North Carolina, states that progress has been made during the past two years in the prevention and detection of fraud

by those who abuse the unemployment insurance program. This abuse consists of those individuals who make a willful misrepresentation or fail to disclose a material fact in an effort to obtain unemployment insurance or to increase the amount. Some of these chiselers are detected before any money is paid, while others are detected after they have been paid.

Although the administrative funds allocated by the federal government are not sufficient for a full-scale program, all available manpower and time for which funds are available from other sources are used in this program. At present the only preventive is the publicity of cases prosecuted, which serves as a deterrent.

The detection is carried on by a cross checking of payment records against wage reports and

the personal investigation of suspected or reported cases of fraud by the claims deputies.

The 17 claims deputies, located in strategic areas in the state, whose primary responsibility is the holding of hearings and determining eligibility on questionable claims, spend approximately 20 percent of their time investigating and presenting for prosecution suspected and reported cases of fraud.

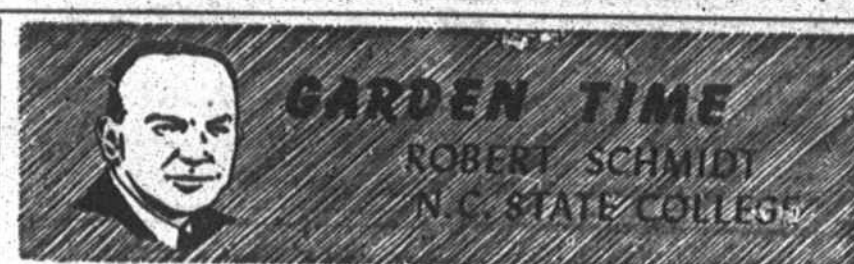
Chairman Kendall reports that North Carolina as well as other states has repeatedly requested more funds for the prevention and detection of fraud, but reductions in federal budgets made by the U. S. Department of Labor, the Budget Bureau, and Congress have resulted in the lack of needed funds.

A comparison of the fraud prevention and detection activity of the commission for the two fiscal years ended June 30, 1952, and June 30, 1953, reveals the following (1952 figures listed first): claims field, 176,884 — 120,707; claimants' accounts examined, 92,057 — 138,016; cases investigated by mail, 7,387 — 7,291; cases investigated by claims deputies, 2,947 — 2,412; claimants disqualified (no fraud), 504 — 614; claimants acquitted or case dismissed, 55 — 74; claimants convicted of fraud, 418 — 439.

A first glance at these figures undoubtedly raises several questions. First is why, during a period of prosperity and so-called "full employment," were there so many claims filed for unemployment insurance and why were more workers unemployed in 1952 than in 1953? The majority of the industry in North Carolina is made up of manufacturers of soft goods (textiles, hosiery, etc.) and during 1952 and the early part of 1953 they were operating on a part-time basis or had to close down periodically for a week at the time because of lack of orders. A majority of the claims filed during these two periods consisted of group layoffs for short periods, and there were relatively fewer workers who were separated from their employment permanently or for an indefinite duration. The fact that 46 percent more claims were filed in the twelve months period ended June 30, 1952, than were filed for the period ended June 30, 1953, can be attributed to a period of uncertainty.

Second, why were 50 percent more accounts examined in 1953 than in 1952? As a result of the reduced claim load in 1953, the personnel normally used in the processing of claims were used cross checking payment records and wage reports. Thus, all of the 1953 accounts were cross checked and also a portion of 1952 accounts that were not originally cross checked.

Third, was there less fraud committed in 1953 than in 1952? Yes; but these figures must be examined closely and related to the number of accounts examined in each year. There were 22 percent more claimants disqualified in 1953 than in 1952, but based upon the accounts examined, the percentage in 1952 was five tenths of one percent and in 1953 it was four tenths, or 20 percent less were disqualified. Those disqual-



GARDEN TIME

ROBERT SCHMIDT
N. C. STATE COLLEGE

In the area around Wilmington, commercial vegetable growers are producing a crop which is relatively new to this state. This is a species of multiplier onion known as shallots, or as some seed catalogs list them, eschallottes.

Shallots are planted in August or September as a fall crop and in the extreme eastern part of the state also in January or February as a spring crop. Single bulbs or sets are planted just as with onion sets. As soon as growth begins the bulb splits up into several plants connected at the base like multiplier onions. These are used or sold as green onions as soon as they reach a desirable size. Shallots are milder than ordinary onions and are better adapted for fall culture.

I believe they should be used more generally in the future in home gardens of the Piedmont and Coastal Plain as a fall green onion. I tried them in my own garden a year ago and as soon as my wife found them she began to use them in green salads. Before I knew it my crop was used up and there were no sets left for a start the next year. The chief problem will be to obtain a supply of sets as a start. After you obtain a start you should allow enough of them to mature to give you sufficient sets for the following year.

If you are interested in trying shallots, I suggest that you write Dr. J. M. Jenkins, Jr., Vegetable Research Laboratory, Wilmington, N. C., for information as to the best source of sets. The North Carolina crop is free of diseases thus far and it is therefore advisable to obtain sets from this state.

This week I wish to make a few suggestions about exhibiting flowers, individual specimens or collections, at fairs and shows. I do

not intend to give any advice on flower arrangements.

As with fruits and vegetables, be sure you enter the flowers in the proper class and that you have fulfilled all the requirements of that class. For individual specimens, perfection is the goal and they are judged accordingly. Flowers, because of their perishable nature, are usually placed on exhibit tables in the morning and judged as soon as entries are closed. Remember, the condition of the flower at the time it is judged is what counts. For example, the American Rose Society rules that a rose should be from one-half to three-fourths open when judged. Therefore, if you have entered a tight bud an experienced judge will give it no consideration. Two or three hours later, the bud may have opened and may be the best specimen on the show table.

Dahlias, which are popular show flowers, should be fully open when cut. They do not open in water. Most flowers, except roses and glads, should be fully open. It is best to cut flowers for exhibition the night before they are to be shown and the stems should be put in a deep container of cold water and placed in a cool place until ready for show.

Discard all specimens with weak stems, diseased leaves or insect damaged petals. Dahlias and roses should have been disbudded several days before the show. That is, side buds should have been removed. Dahlias should be handled as little as possible and should not be subjected to wind or heat because they wilt very easily. Remember, perfection of stem, leaves and flower and then care to get them to the show table in the best possible condition is what you want.

Based on conditions of the crop on August 1, the total 1953 production of flue-cured tobacco in North Carolina is estimated at 833,260,000 pounds, 51,965,000 pounds less than the July 1 estimate.

Chairman Kendall also stated that it should be realized that fraud in unemployment insurance cannot be eliminated altogether any more than can other criminal acts and that although he is pleased with the progress which has been made, he is not relaxing the efforts of the commission in the policing of the program. He further stated that much of the progress, particularly future progress, still depends upon the cooperation and assistance of the citizens of the state in reporting facts to the commission or its local offices when they know of someone who is abusing the program, or when contacted, furnish the facts requested and be ready and willing to testify in court if needed. The crackdown will continue, and future progress is expected in reducing fraud to a minimum.

Tilden Padgett Rites Conducted

Funeral services for Tilden R. Padgett, 77, well-known pioneer furniture dealer and mortician of Forest City, and father of Dr. P. G. Padgett of Kings Mountain, were conducted Wednesday at 5 p. m. from the First Baptist church of Forest City.

Mr. Padgett died in a Rutherford hospital Tuesday morning at 9:19 a. m. Death was attributed to a heart attack.

He was born September 3, 1876 in Forest City and was married to the former Miss Cleo King of Forest City.

An active senior deacon of Forest City First Baptist church, he was a 32nd degree mason and a member of the Kiwanis club, Shriners, and Knights of Pythias.

He had served on the town council for more than 15 years.

Surviving in addition to his wife and son, Dr. Padgett, are two sons, Dr. Charles K. Padgett of Shelby, J. T. Padgett of Forest City; four daughters, Mrs. Nell Padgett Norris of Asheville, Mrs. Gus Thomas of Hendersonville, Mrs. Lex Hood of Matthews, and Mrs. J. W. Griffin, Jr. of Forest City.

Also surviving are one brother, Hogue Padgett of Spartanburg, S. C.; two sisters, Mrs. Wade Tillotson of Hartsville, S. C., and Mrs. John Carpenter, of Forest City, and 14 grandchildren.

Margaret H. Lowder, manager of the Gastonia office of the Social Security Administration.

A surprising number of people still do not understand what this program means to them. This probably applies more to those who have been under the program the longest. They have taken the social security deductions from their paychecks for granted. The newly covered groups seem more aware of their status since they have only recently begun making contributions.

Many people still think of the program as it was when they were first covered back in 1937 and 1938. They are surprised, in many cases, to learn that there are benefits payable to survivors in death cases. Others think of the program as it operated prior to the 1950 amendments, not realizing that even since the recent date, the benefits have substantially increased, the eligibility requirements greatly modified, and new types of benefits provided.

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