

# The Daily Tar Heel

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## UNC employees misused \$300K

### LARGEST FRAUD CASE IN 10 YEARS LEADS TO INQUIRY

BY JOHN FRANK  
PROJECTS TEAM EDITOR

Two employees scammed UNC out of more than \$300,000 during a four-year spending spree that has become the focus of the most complicated and expensive University fraud case in the last decade.

Staff members in the Department of Radiology overcharged and double billed for services totalling \$303,000 and misplaced more than 100 pieces of

computer equipment, according to University records.

In one case, an employee funneled more than \$190,000 to companies that either he partially owned or his relatives owned. Meanwhile, his boss got \$3,100 in kickbacks from a company she provided with University contracts.

The separate incidents were revealed after an exhaustive 5 1/2 month investigation by the University Internal Audit

Department.

The report quickly was finalized Thursday after a public records request was filed by The Daily Tar Heel last month.

The audit found that nearly all the misuse could have been prevented if the department's business managers more closely reviewed financial sheets and if a better system of oversight was in process.

As a result of the investigation, UNC fired three employees and a fourth resigned from the School of Medicine radiology department in late January, after they spent months on administrative leave. Fired were James L. Foster, the

department's top business manager; Cassandra Clementine Greene-Hines, a computing consultant and supervisor; and Ronnie A. Tyson, a facilities maintenance coordinator.

Wesley L. Hall, a mid-level business manager, was given the chance to resign rather than be fired.

University police plan to serve arrest warrants today on two of the radiology employees — Greene-Hines and Tyson — who misused the department's funds for personal gain.

According to drafts of the warrants obtained by the DTH, Greene-Hines, 54, faces two felony embezzlement charges for receiving the kickbacks.

Tyson, 37, faces two misdemeanor charges involving the conflicts of interest in connection with the University contracts, the warrants state.

UNC police have contacted Greene-Hines, who plans to meet with investigators today, but hadn't reached Tyson as of Thursday evening, officials said.

The personnel information was released in a rare move by Chancellor James Moeser, who exercised his legal right under state statute to release the confidential information to protect the University's integrity.

"The University immediately notified the State Bureau of Investigation after learning of potential problems in radiology," Moeser said in a prepared statement. "The University is seeking prosecution of these individuals to the fullest extent the law permits."

The investigation was launched on Sept. 5, a day after an employee at the University Mail Center tipped off the Internal Audit Department that Tyson came to pick up checks that should have been mailed to businesses contracted by the University.

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UNC 63 AIR FORCE 52

## FLYING HIGH: UNC ADVANCES

Four Tar Heels score in double figures as North Carolina beats Air Force

BY AARON FITT  
SENIOR WRITER

DENVER

Facing its largest deficit of the game, North Carolina suddenly remembered how to score and, Air Force suddenly forgot, allowing the sixth-seeded Tar Heels to grind out a 63-52 win at the Pepsi Center on Thursday.

After a four-point play by Joel Gerlach put the Falcons up by six with 12 minutes, 50 seconds to play in the NCAA Tournament opener, North Carolina answered with an 11-0 spurt capped by back-to-back Felton 3-pointers.

The second trey, from deep on top of the key, beat the shot-clock buzzer and put UNC up 49-44.

"It was a prayer," said Felton, who was held scoreless in the first half but finished with 12 points. "I was about three feet behind the 3-point NBA line and I just went up and made a big shot. It was luck if you want to call it that, but it was a big shot."

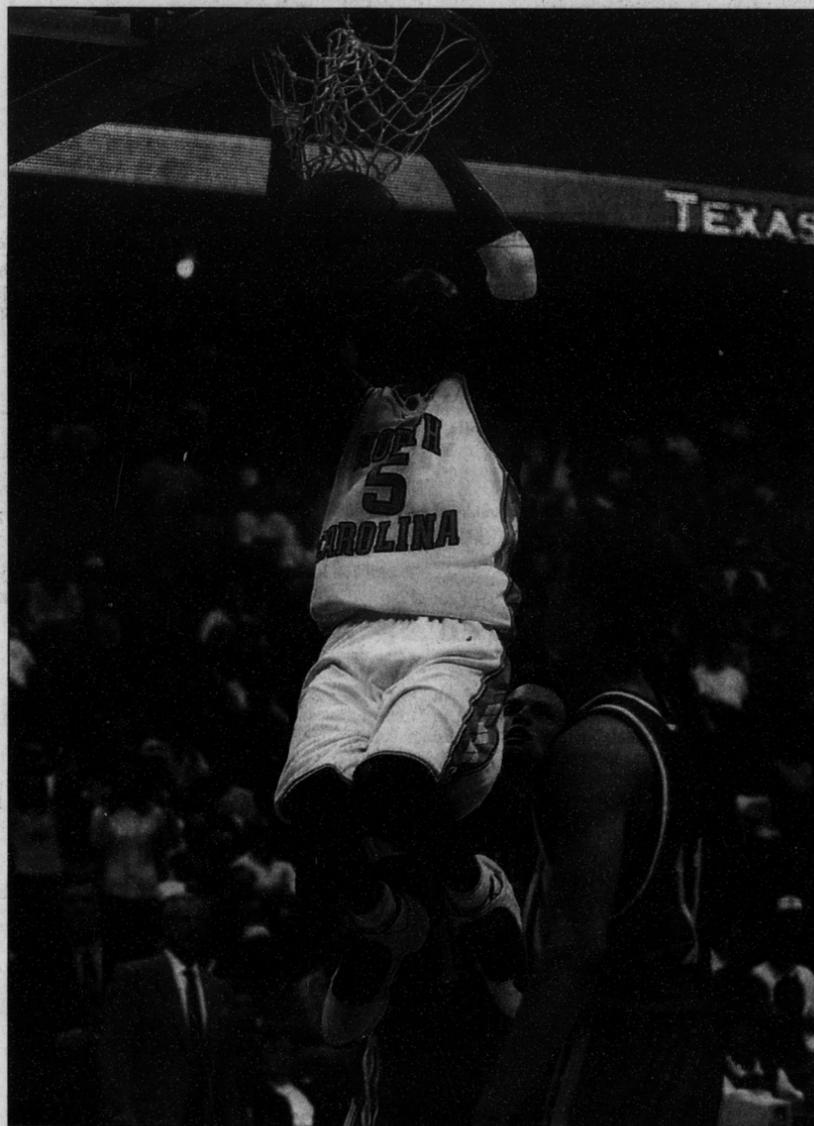
Eleventh-seeded Air Force (22-7) stopped the bleeding with an Antoine Hood layup at the 9:34 mark, but the Falcons didn't make another field goal for 8:20.

By that point, UNC (19-10) had put the game away with long, Air Force-style possessions and free-throw-line success. The Tar Heels made 13 of 15 second-half free throws to seal the win.

The first half was a different story entirely.

Air Force wanted to keep it a low-scoring affair and was able to do just that. In fact, it took the Falcons five minutes just to get their first field goal, a cutting layup by A.J. Kuhle.

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Above: North Carolina guard Jackie Manuel (5) slams the ball home in the second half of the Tar Heels' 63-52 win against Air Force. Below: Rashad McCants (32) scored just nine points but added two steals and a block.

## Bald move sparks Tar Heels

BY JAMIE AGIN  
SENIOR WRITER

DENVER — Twenty-five points, 16 rebounds and a hotel bathroom full of hair.

Such was the contribution of UNC's junior class to its team's win against Air Force on Thursday.

On a night when Rashad McCants, the ACC's leading scorer, was held to 4-of-13 shooting, Jawad Williams broke out of a semi-slump, Jackie Manuel ratcheted up his offense and Melvin

Scott, well, that will come later.

Air Force keyed in on McCants and Raymond Felton in the first half, holding the pair to 1-for-10 shooting.

"I think they were struggling to score because Air Force was playing good defense," said UNC coach Roy Williams. "You have to give the other team some respect. We failed, but it's not just because we failed — the other team had something to do with that."

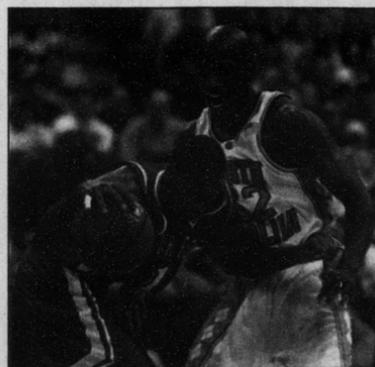
In the first half, Jawad Williams,

who had gone 10 of 32 in UNC's prior three games, scored five points in the slowed-down tempo, four of which were follows on missed shots.

Manuel added four offensive rebounds of his own, and at half-time, UNC had six second-chance points to Air Force's none.

But perhaps Manuel's biggest contribution, for the first time in three games, was simply staying on

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## Revisions to Carolina North plan unveiled

BY JOSEPH R. SCHWARTZ  
ASSISTANT UNIVERSITY EDITOR

After three months and more than 70 presentations of the first conceptual draft of Carolina North, University officials central to the project unveiled Thursday the first major changes to the plan.

At the Carolina North Executive Committee meeting, officials outlined eight modifications to the 70-year project to create a mixed-use research park.

Most notable of the revisions is the creation of a school site on the 963-acre locality, which is located on the Horace Williams tract on Airport Road.

After meeting with Neil Pedersen, superintendent of Chapel Hill-Carrboro City Schools, officials said they identified a location for a two-story elementary school, similar to Mary Scroggs Elementary School, with a 500- to 600-student capacity.

"We asked (CHCCS) to recommend to us an ideal site for a school and it happened to coincide with what we saw," said Mark Crowell, associate vice chancellor for economic development.

Crowell recommended that the executive committee set aside 12 to 14 acres for an elementary school site.

Tony Waldrop, vice chancellor for research and economic development, said plans to build a school will be considered as Carolina North grows and academic space is needed.

The revised draft plan also calls for a drastic reduction in parking spaces. The first proposal projected that 19,125 spots would be needed, but the new draft calls for the removal of 2,125 of those spaces.

"It has been one of the consistent issues that Tony and I have heard (from townspeople)," Crowell said. "It's reasonable and a good faith

SEE COMMITTEE, PAGE 2

## BOG avoids system-wide tuition hike

BY LAURA YOUNGS  
ASSISTANT STATE & NATIONAL EDITOR

A UNC-system Board of Governors committee approved Thursday proposed tuition hikes for the 16 system schools but opted not to implement any across-the-board tuition increase.

For students at UNC-Chapel Hill in the 2004-05 academic year, the BOG's Budget and Finance Committee's approval would mean a \$366.50 increase in tuition and fees for in-state students. Tuition for nonresidents would increase \$1,616.50.

"We need to make sure the educational experience of the student is not eroding," said Jim Phillips, chairman of the committee, during the nearly 6-hour meeting.

According to a committee report, such increases would bring tuition next year to a proposed \$4,359.52 for residents and \$17,457.52 for nonresidents.

Board members said that although they do not want to increase tuition and put the burden of the state budget crunch on students' backs, it was the only option left.

"It's the only tool available to the BOG to directly affect and slow the pace of the erosion of quality," said BOG Chairman Brad Wilson.

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IRAQ ONE YEAR LATER see page 10