



THE NEWS RECORD

SERVING THE PEOPLE OF MADISON COUNTY SINCE 1882

Vol. 84 No. 11

PUBLISHED WEEKLY IN THE COUNTY SEAT

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WEDNESDAY, March 14, 1984

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Federal Grand Jury Indicts Three

DOT Employees, Contractor Charged In Bid-Rigging Probe

By Robert Koenig

A federal grand jury in Asheville has returned indictments against two officials of the North Carolina Department of Transportation and an Asheville contractor on charges of bid-rigging a \$20 million contract to build the 10-mile section of U.S. 25-70 between Marshall and Weaverville.

Baxter A. Taylor, 66, the president of the Asheville Contracting Co. was indicted on charges of conspiracy, violation of the Sherman Anti-trust Act and three counts of mail fraud.

Also charged were two DOT employees, Edward Hume Paschall, 61, of Black Mountain and William Albert Ricker, 43, of Mars Hill. Paschall is a retired former resident engineer who oversaw the U.S. 25-70 project. Ricker is a DOT maintenance crew leader.

Paschall has been charged with three counts of extortion and Ricker has been charged with two counts of extortion in connection with the project.

The indictments involve two contracts let in 1978 and 1979 in connection with the project. One contract called for construction of the road from Marshall to Jupiter Rd. and the second

contract was for construction from Jupiter Rd. to Weaverville.

The contracts were awarded to the Asheville Contracting Co. and Phillips and Jordan Inc., formerly of Robbinsville. In 1981, Phillips and Jordan president Ted Phillips and vice president Ben Turner pleaded guilty to bid-rigging on the same contracts.

The indictments handed down Friday charge that Baxter Taylor submitted a bid on the project in conspiracy with other construction companies. Taylor is charged with submitting a deliberately high bid on the project so that it would be awarded to Phillips and Jordan.

Taylor is also charged with making false statements to the Federal Highway Administration concerning the formulation and submission of bids on the project.

The contractor is also charged with giving gratuities to the DOT employees who oversaw the construction of the road and with making political contributions to elected officials for the purpose of generating good will and new highway construction.

The three counts of mail fraud stem from Taylor's use of the U.S. Mail to forward

materials concerning the highway construction contracts and to obtain periodic payments from DOT for work performed on the road project.

The indictments charge Paschall and Ricker with accepting gifts from both Asheville Contracting Co. and Phillips and Jordan, Inc.

Both Paschall and Ricker are charged with receiving unreimbursed accommodations at a Hilton Head, S.C. villa owned by Asheville Contracting Co. and for accepting round-trip air transportation and lodging at a Falfurrias, Tex. hunting resort at the expense of Phillips and Jordan.

Contacted by telephone Sunday, Ricker refused to comment on the indictments.

Ricker, Paschall and Taylor appeared before the federal magistrate in Asheville Monday morning on the charges. All three men were released on \$2,500 unsecured bond pending a March 22 arraignment hearing.

U.S. Attorney Charles Brewer told reporters the indictments "have the potential for leading to the biggest investigation" his office has ever handled. Brewer would not disclose how far the investigation might go, but added that it is continuing.

Brewer also said, "The information we got was shocking to us. Who knew about it and what they did and didn't do. But that's another day, another case."

If convicted, Paschall and Ricker face up to 20 years in jail and \$10,000 fines for each count of extortion. Taylor could face up to five years in prison and a \$10,000 fine for conspiracy and additional three years and \$100,000 fine for violation of the anti-trust act. The three counts of mail fraud carry a maximum sentence of five years in prison and \$1,000 for each count.

Brewer told The News Record, "We have completed a significant investigation of bid-rigging practices in the paving and construction industry in North Carolina. The one thing that came across in our investigation was that bid-rigging was a way of life for 40 years. There's no way in the world that it could have gone on in such a pervasive fashion without state officials knowing of it. At the very least, they had to have turned their heads."

Brewer said that his office is continuing its investigation, adding that in many cases, the statute of limitations for prosecution is almost up.

Board Of Education Adopts Budget, 84-85' School Calendar

By Robert Koenig

The Madison County Board of Education approved the 1984-85 school calendar and a proposed budget for the upcoming school year at last Wednesday's meeting.

Board members approved a proposed budget of \$1,604,941 for the 1984-85 school year, nearly triple the budget for the current school year. The proposed budget will be sent on to the county commissioners for consideration.

School superintendent Robert Edwards said that the budget was prepared after consultation with principals at the county's seven elementary schools and Madison High School.

The county's consolidated high school would receive the lion's share of the proposed budget. Included in the proposed budget is a request for \$43,000 to purchase 41 typewriters and eight computers for the high school. The high school is also requesting \$6,000 to purchase hand-held calculators for the mathematics classes.

Madison High School principal David Wyatt has also requested funding to make repairs to the school's roof.

Edwards said that the proposed budget includes a request for an additional \$20,000 to cover electric bills over the 1983-84 budget. The additional funds are needed, Edwards said, because of rate increases from the French Broad Electric Membership Corporation. FBEMC general manager Charles Tolley addressed Wednesday's school board meeting and said that the utility company will put an additional 12 percent increase in effect on April 27.

Tolley defended the increase, saying it is the result of an increase in the wholesale rate charged by Carolina Power and Light Co.

Edwards read a report on the February energy charges for the county's eight schools. Madison High School and Marshall Primary School, which operate on the same meter, had a combined bill for the month of \$18,093. The Board of Education's total bill from FBEMC for the month was \$22,374.

Tolley said that some conservation measures could help reduce the cost of electricity in the school's. He recommended that the board approve funds for constructing

air locks on the high school's doors.

Tolley also said that the high school's roof is inadequately insulated, with an R value of only 5 when insulation of R-19 to R-30 is needed. He added, however, that the estimated cost of reinsulating the roof on the 140,000 square foot building would approach \$250,000.

Edwards told board members that state funds pay for approximately one-third of the school's energy bills, but that the county must pay the rest. The superintendent also reported that the county's six schools which use oil for heating used 25,821 gallons during 19 school days in February, for a total cost of \$21,428.

The school board also gave its approval to a school calendar approved earlier by a majority of the county's school personnel.

The board also approved the use of the school's as polling places during the May 8 primaries. In order to accommodate the elections, the board authorized making May 8 a half-day teacher's leave day and half-day teacher's

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Photo by Bob Koenig

BILL HENDON addressed Madison County Republicans during Saturday's county convention.



Photo by Bob Koenig

REP. BILL MARTIN addressed the Madison County Republican convention Saturday in Marshall.

Hendon and Martin Address County GOP Convention

Some 60 Madison County Republicans attended the county convention Saturday afternoon in the Madison County Court House. The party faithful heard from several candidates for state and federal office and elected delegates to the state convention in April.

Former 11th District congressman Bill Hendon attended the convention and was the first candidate to address the meeting. Hendon will challenge Rep. James McClure Clarke in the November election.

Hendon told the convention, "I was proud to run with President Reagan and Vice President Bush in 1980, and I'm proud to be running again. I believe that we have the finest slate of candidates we've ever had in one year this time. We've got a lot to look forward to on Nov. 6."

Commenting on the large audience, Hendon said, "Many of you remember when we couldn't fill a jury box at the county convention. 1984 is going to be a very good year."

Hendon lashed out at Democratic presidential candidates Walter Mondale and Gary Hart, calling them, "Carter's vice president and McGovern's campaign manager."

Speaking of the Republican

Party, Hendon said, "We believe that we offer the fairest deal and the best hope for this country. We believe that the best government is the least government. Individual initiative and incentive made this country what it is. The working man should keep as much as possible of his hard earned dollars."

Addressing the audience, Hendon said, "You've been there through thick and thin. Madison County, North Carolina and the nation will be better off for what you do."

County chairman C.N. Willis introduced the candidates for the N.C. Senate, saying, "I don't know how we got three candidates for the Senate, when last time we couldn't get any."

Buncombe County attorney Bruce Snyder, a former District Court judge, told the convention, "I'm just about fed up with the blatant politics of the likes of Swain and Winner."

Snyder said that he would work for the repeal of the state sales tax on license plates enacted by the General Assembly last year. He also called for stiffer penalties for drug pushers, reminding the convention that Sen. Dennis Winner introduced legislation that would have reduced the penalties for possession of less

than eight ounces of marijuana.

Snyder told the convention, "I'm your candidate if you want someone who'll get tough on marijuana and cocaine and welfare fraud. I assure you that I will introduce legislation that will improve things, not cause them to deteriorate."

Recognizing the candidacy of Mars Hill attorney Bruce Briggs, Snyder said, "I'm not going to tell you in Madison County to vote for me and not Bruce Briggs, but I do hope that you will make me your second choice."

John Stewart, Jr., also a candidate for the State Senate, told the convention, "I know what it means to work for a living and to run a business. I'd like to take some of that experience to Raleigh."

State Senate candidate Bruce Briggs did not attend Saturday's convention. Attorney Forest Ball addressed the convention on behalf of Briggs.

County vice chairman Pat Roberts introduced gubernatorial candidate Ruby Hooper.

Hooper, a licensed dietician, told the convention, "North Carolina has the largest percent of working women of any state in the country. No can-

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Hot Springs To Seek Block Grant Funding

Hot Springs will apply for Community Development Block Grants (CDBG) to fund two projects in the town, according to mayor Debbie Baker. The decision to apply for the grant funds was made at a public hearing on March 8 prior to the start of the regular town meeting.

Mayor Baker told The News Record that the town intends to apply for CDBG funds to repair some streets in the town. A second grant applica-

tion will also be filed for a grant with which to convert the old drugstore building on Main Street into a community center.

Baker said the abandoned store was donated to the town. If approved, the grant funds will be used to make repairs to the building.

Because both the street repairs and drugstore project will be a benefit to the entire town, the town will

will be needed. This is required because CDBG guidelines state that all projects must benefit residents with low and moderate incomes.

Baker also said that the town aldermen will conduct a work session on Thursday night to determine which streets in the town are in most need of repairing.

Jim Edwards of the Land of the Sky Regional Council is the town's representative to the

No Decision On County Block Grant Request

Some 20 Madison County residents attended a public meeting held Monday night to discuss a possible application for Community Development Block Grant (CDBG) funds.

Those attending the session were hoping that the county would apply for grant money for housing rehabilitation. They were disappointed when Madison County Housing Authority director Sam Parker informed them that change in CDBG guidelines announced last month will make it impossible for the county to apply for such funds at this time.

Parker informed those attending the Monday night meeting that recent changes to the guidelines prepared by the North Carolina Department of Natural Resources and Community Development (NRCD) and Baltimore Branch require that each community municipality, Parker said that for which housing rehabilitation is proposed must be which have requested housing surveys of all the communities to determine if the rehabilitation would be needed. Community income must be determined before an application could be made.

CDBG guidelines state that an area to be served by a grant application for the next grant cycle will be determined in April. Parker said that the county will not be able to apply for such funds at this time.

"On today's market, we just don't have the time it will take to do this," Parker said. Although most of the audience at Monday's meeting were residents of the Meadow Park community, Parker said that he would like to see the county apply for such funds at this time.