

FBI probes banker

Former Hertford bank vice president J. Wayne Ashley is being investigated by the FBI concerning allegations that his bank was used to launder money illegally obtained through a fraudulent contracting scheme.

According to a story printed in last Saturday's NEWS AND OBSERVER, the FBI is investigating the Hertford branch of the Bank of North Carolina, where Ashley worked, after allegations that phony accounts at the bank were used to hide the origin of money taken from two Greenville, S.C. construction contractors, Harrison International Corp. and Ferguson Enterprises.

The FBI is also investigating related charges of embezzlement, according to Robert L. Pence, special agent in charge of the FBI in North Carolina. Pence would not say whether Ashley is involved in this second investigation.

Ashley resigned from his position August 12 "due to irregularities now under investigation," according to acting executive William A. Respass.

The defrauded contractors were working on an addition to the Bay Pines Veterans Administration Hospital in Pinellas County, Fla. According to testimony by Sgt. A. Gene Enlow of the Greenville County Sheriff's Department during a hearing in the Onslow County Superior Court in Jacksonville, a group of conspirators defrauded the two contractors by inflating the cost of supplies sold to the companies and submitting phony bills.

The money was then passed through bank accounts made out to phony companies, first in Florida, later in the Jacksonville branch of the BNC, and later still in the Hertford branch.

Enlow, who first began the investigation, was in the Onslow County court requesting a search warrant to examine the records of the

Jacksonville bank.

According to his court statement, an informant who was involved in the scheme informed the authorities.

The name Enlow gave as that of the phony company used for the Hertford account was Construction Distributors of Hertford. Another allegedly phony company was Harrison M&P, which had an account in Jacksonville along with Construction Distributors.

According to a Greenville County Sheriff's Department spokesman, inflated and phony bills equalling \$1.5 million were submitted to Harrison International.

Nine men from South Carolina and Florida have been arrested and charged with bribery, obtaining money by false pretenses and conspiracy in connection with the case. The sheriff's office said that evidence is now before a grand jury in Tampa, Fla.



Trailer destroyed

Firemen try to save the trailer home of Ricky Sawyer near

Harvey Point Road Tuesday morning. The home was destroyed, but no one was injured.

County health clinic operator indicted for Medicaid fraud

An Edenton physician who operates a rural health clinic in Perquimans County has been indicted on 31 felony counts involving Medicaid funds abuse in Tyrrell County.

Dr. C. Clement Lucas, Jr. was released on \$100,000 bond pending a January 25, 1982 trial following five separate indictments handed down last Thursday by a Tyrrell County grand jury in Columbia.

Lucas faces up to 310 years for 25 counts of obtaining Medicaid funds by false pretenses and six counts of soliciting employees to do the same at his Tyrrell County clinic during the period between early 1978 and March 1980.

The charges stem from a N.C. Division of Medical Assistance investigation begun in 1979 and later

turned over to the Attorney General's Office.

State's evidence includes clinic records and testimony from employees at the Tyrrell County clinic.

According to Donald L. Grimes, head of the Medicaid Investigations Unit of the Attorney General's Office, said that his unit had obtained records from the Perquimans County clinic, but didn't have witnesses to testify

that there was any fraud.

"We did take records out of that office," Grimes said, "but without witnesses it's not much good. I could use it, but I don't like to. I think we have enough evidence already."

According to the attorney general's investigation, Lucas had administered laboratory tests and other medical treatment to Medicaid patients that weren't given to similar

patients without Medicaid.

"There is a very clear pattern of over-utilization of services," said Grimes.

Lucas is head of the Northeastern Rural Health Development Association, which has established clinics like those in Tyrrell and Perquimans counties throughout the Albemarle. His Perquimans County

clinic is located at the intersection of U.S. 17 and N.C. 37.

According to John Kirsch, chief of the fraud and abuse section of the N.C. Division of Medical Assistance, Lucas is still receiving Medicaid payments, because he has not been convicted of abuse. If he is, however, he would be removed from the program.

Investigation still pending on fatal Hertford auto wreck

Charges against James "Jack" Lloyd are still pending at presstime for Sunday's car accident that killed Lloyd's wife, Viola Lowe Lloyd, 82, of Hertford.

The State Highway Patrol is still investigating the incident, and cautioned that Lloyd may not be charged.

Mrs. Lloyd, of 323 Market Street, was a passenger in a 1973 Cadillac

driven by her husband. She died following the accident in route to Chowan Hospital.

According to Highway Patrol Officer C.H. Mims, the couple was driving east on SR 1347 between Bethel and Harveys Point, five and a half mile south of Hertford, when the car ran off the left side of the road, crossed back over to the right side and ran into a ditch.

The funeral will be held today at 3:30 at the First Baptist Church in Hertford, with the pastor, Rev. J.H. London, presiding. Burial will follow in the Roadside Cemetery, Hertford. The family will be at the home of the deceased. The wake was held Wednesday night between 7 and 9 p.m. at Lowe and Stallings Funeral Home.

Mrs. Lloyd was the daughter of John I and Mamie Wood Lowe. A

native of Hertford, she was a member of the First Baptist Church and a member of the senior choir and a Sunday school teacher.

She is an alumni of Elizabeth City Normal School and a former public school teacher.

She was also a member of the Perquimans County Chapter of the National Association for the Advancement of Colored People, the

Friendship Senior Citizens Club, the George Washington Carver Floral Club and the Successful Savings Club, all of Hertford.

Other survivors are one daughter, Mrs. Gladys Bunch of Winston; one son, Joseph Whitehurst of Bronx, N.Y.; five stepdaughters, Mrs. Mildred Henderson, Mrs. Pauline Felton, Miss Jacqueline Lloyd, Miss Phyllis Lloyd and Miss Barbara Lloyd,

all of Philadelphia, Penn.; three stepsons, Harold Lloyd, John R. Lloyd, and Williams Lloyd, all of Philadelphia; two brothers, Isaac W. Lowe of Hertford and Dr. Lyman Lowe of Brooklyn, N.Y.; two grandchildren, two great grandchildren and 18 step grandchildren.

Lowe and Stallings Funeral Home is in charge of arrangements.

School lunch program a good deal

They cooked over 11,000 breakfasts last month. Over 28,000 lunches. And then they had to clean up the mess.

The county school lunch program employs 24 women, one man and four high school students to feed the 1,600-odd students, along with teachers and a handful of other adults, in the county school system.

On a calendar where it seems like every week is somebody's week, last week was their week — National School Lunch Week.

And if anybody deserves a week of their own, these people do. Not only do they collectively cook more meals in a month than most housewives cook in a lifetime, but they also wash a lifetime's worth of dishes, put up with a lifetime's worth of complaints, and patiently tolerate a couple of miles of red tape.

The complaints come from both students and parents. The red tape is supplied by the government.

The complaints are what you might expect. The food doesn't taste good, it's not cooked long enough, it's cooked too long, it's burned, it's too expensive.

The kids tell their parents this, and as LaClaire Rogerson, head of the school lunch program in the county, said, "The parents believe this instead of checking it out for themselves."

"We don't cook everything perfect, but I think we do very well. The employees realize that most people eat with their eyes. I would like more adults to come out and see just what we have."

One example of the changes in quality is preparing lunches right before each lunch period, instead of making them all at once and letting them go stale.

As far as the expense goes, there's not a whole lot Rogerson or anyone else here can do about that. They charge what it costs them to make the meal, minus what ever help they get from the federal government.

That help, for those who haven't been keeping up with things in

Washington, has dwindled. The school lunch program has been a big target of the federal budget cuts.

It costs the school cafeterias about 75 cents to cook one breakfast, for which they charge 40 cents to K through sixth graders, and 45 cents to seventh through twelfth graders. Adults, who can eat at school cafeterias just as kids do, are charged 65 cents.

Lunch costs about \$1.25 to make, and through the sixth grade, students are charged 80 cents for it. Seventh through twelfth graders pay 90 cents. Adults pay \$1.25.

Cheap as the prices are — cheaper, probably, than it costs to bring your own — those prices are expensive compared to what most children actually pay. Most of the meals, in fact, are free.

Of the 11,000 breakfasts cooked last month, almost 10,000 of them were totally subsidized, that is, free. More than 17,000 of the 28,000 lunches were free.

Children receive free or reduced lunches depending on their parents' incomes. Parents apply for the free meals by giving the county program an income statement, from which the county determines whether they are eligible.

Last month the county cooked about 900 reduced and paid breakfasts, about 9,000 reduced and paid lunches, and 613 employee lunches. In addition, they also cater breakfast (325) and lunch (377) for the county's Head Start program.

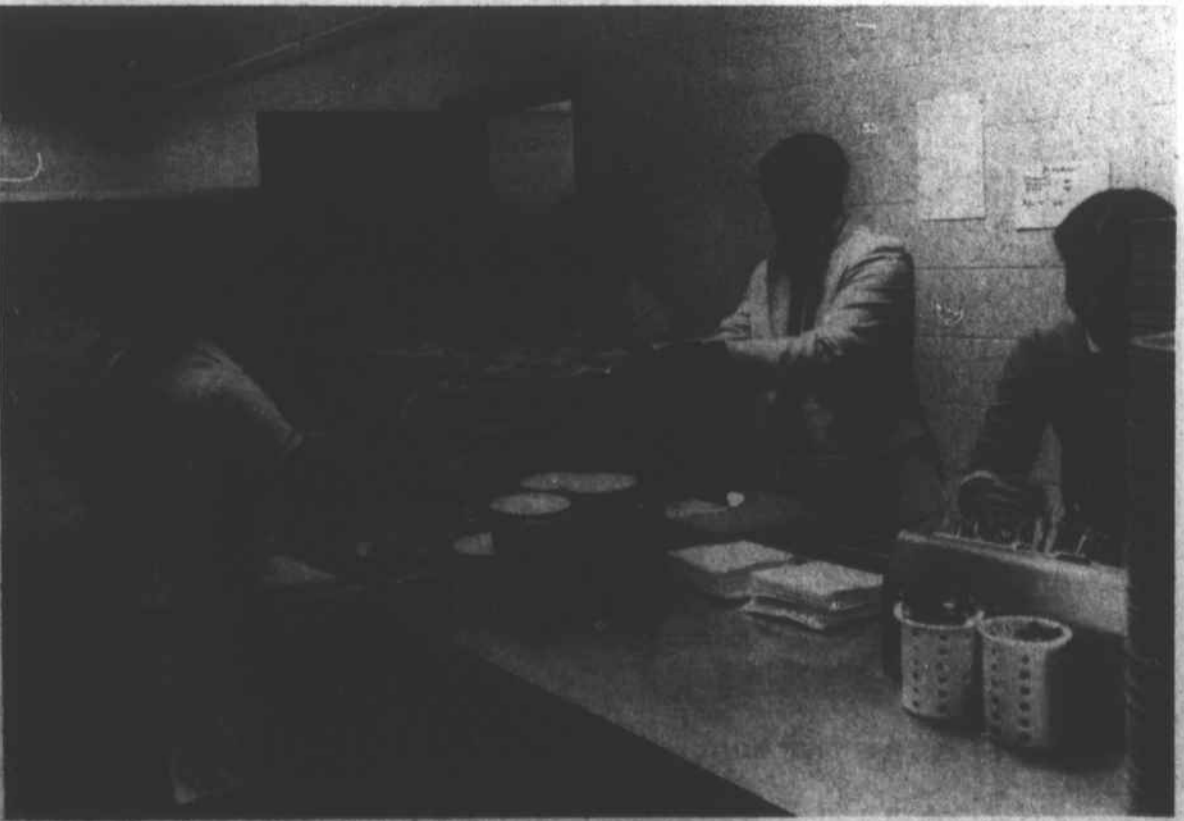
The cuts in the program were on the reimbursement for adult meals, the equipment assistance money, the

milk reimbursement for children who bought milk without a meal, the reimbursement for paid and reduced meals, and the commodity assistance, which is food given to the county program by the government.

All of these cuts raise the price of the meals, and may raise them more if some of the pending cuts are approved.

And then there is the red tape. The lunch program must keep track of exactly how much food is consumed every day. "We have to account for every teaspoon of salt," said Rogerson. "Sometimes teachers complain because we can't give their classes paper plates or something, but they don't understand that we have to account for everything."

The Health Department inspects (Continued on page 2)



Cafeteria workers serve students during lunch hour at Perquimans High School.

School Board meets

PTA elects officers

The Perquimans County Parent-Teachers Association elected officers during a packed meeting at the Perquimans Union School gym Monday night.

Estelle Felton, who was elected president of the PTA, was excited about the turnout. "I have never been so pleased in my life," she said. "This is the best crowd we had in my lifetime, and I was president years ago. And the band (the Perquimans Union band, which played at the meeting) was beautiful."

Also elected to the PTA were David Parker, vice president; Rev. Claud Hydric, secretary, and Patricia Benton, treasurer.

Teleservice offered

Residents of Perquimans County can save time, money, and gasoline by using "teleservice" when they have business with Social Security.

Teleservice is a special telephone service which can be used whenever a person has any questions or problems concerning Social Security. In the Albemarle, the teleservice number is 338-2161.

Dare County residents may call toll free by asking the operator for Enterprise 161.

The best time to use teleservice to avoid busy signals is after the middle of the month.

Of course, a person can call anytime if his business is urgent.

Teleservice can be used to:

- Apply for Social Security or Supplemental Security Income payments. The application process can be started by telephone and completed by mail.
- Apply for Medicare.
- Change your name or address in Social Security records.
- Report a change in marital status.
- Report a change in work or earnings or other events that could affect checks.

Following the election of officers, the PTA made plans for a Halloween Carnival to be held at the end of the month.

Before the PTA meeting, the Perquimans County Board of Education met and discussed the possibility of obtaining professional legal liability insurance and general liability insurance for school employees and board members.

The professional legal liability insurance will insure employees against possible civil suits concerning their performance. General liability will cover physical and property damage. The school systems present insurance policy will expire November 15.

The board also tabled a decision on contracting a firm to repair the school bus garage roof pending an inquiry into the past performance of Odd Jobs, Unlimited, the low bidder on the contract. Odd Jobs bid \$4,928, \$230 less than the next lowest bidder.

The board also approved giving the contract on the repairs to the Union school roof to Southeastern Roofing, for \$3,100. And C&M Installations and Repairs will be contracted to repair and replace the bleachers at Perquimans County High School for \$2,229.20

This week

The Perquimans Pirates, hot off their stunning victory over Camden, play their homecoming game against Manteo tomorrow. Turn to page 10.

Weather

Slight chance of rain today, fair through Saturday. Highs in the mid-60s, lows in the high 30s to mid-40s.

