

## County misrepresented in food stamp audit

### Results not a true indicator of county's error rate, says Social Services Director

By SUSAN HARRIS

The 71.9 percent error rate attributed to the Perquimans County Department of Social Services for their food stamp administration is not a true indicator of the total case load in that office according to Paul Gregory, County Director of Social Services.

His feelings are reflected by Bonnie Cramer, chief assistant to the state director of social services and Dr. Arnold Grandage, professor of statistics at N.C. State University.

Perquimans was one of 19 North Carolina counties cited for intolerably high food stamp error rates by federal and state audit of the program. This county rate, according to the audit, was 71.9 percent.

According to Gregory, "They (state quality control personnel) pulled three food stamps cases in here. One was in error. It was an underissuance of food stamps, and that was the basis of the 71.9 percent error rate."

The county office handles 550 food stamp cases.

The case involved a client receiving a monthly allocation of \$46 in food stamps who neglected to reveal his job loss, which raised his eligibility to

\$64 per month.

Auditors divided the \$46 the client actually received by the \$64 he was entitled to, resulting in a 71.9 percent underissuance in that one case.

No dollar error was uncovered in the two other cases.

"So what they (the federal administrators) said at that point was that we have a 71.9 percent error rate in all our food stamp cases," Gregory said.

He added that "the error in this one case was a client error."

Professor Arnold Grandage, NC State University statistician, said of the survey, "I certainly wouldn't have called it an accurate error rate."

Dr. Grandage said that a more valid formula would result from taking the total dollar amount that should have been received by clients in all three cases surveyed and dividing that total by the dollar amount the clients actually received.

This would result in a 7 percent error rate.

The case load error is 33.3 percent according to Dr. Grandage, which percentage represents the highest error rate that could have been discovered in the review.

Dr. Grandage feels that, "It would probably have been best to report them both (the percentage of dollar errors and the percentage of case loan errors)" in order to report more accurate findings.

He believes that with a case load of 550, at least 16-20 files should have been considered, and an even larger number if substantial errors were found.

Bonnie Cramer, a member of the state social services staff, stated in a telephone interview that it is "hard to generalize what it (the percentage rate) might mean."

She further stated that the figure really only means that out of the three cases surveyed, there was a problem.

Cramer said that the 71.9 percent error rate found in Perquimans County's random sample is "probably not an indicator of the rest of the case load in the county."

She admitted that for small counties with fewer food stamp cases, it is difficult to judge the findings of a random sampling accurately.

Gregory revealed that he requested that the state send personnel back to his office to review another random sample last fall.

Two representatives did, in fact, return in December and studied 10 random files. "They came up with a \$2 error," Gregory said. "That's all."

"For the period of April 1981 through September 1981 we had four cases reviewed by state quality control. We had no dollar error."

"So if this whole business came up next year, we'd be sitting here with a zero error rate, whereas right now we have a 71.9 percent error rate."

"You don't clear up all your cases that quick, not in three or four months."

Eligibility for the federally-funded food stamp program is based on income, number of family members, and living expenses, Gregory said.

Living expenses are subtracted from income, and a chart is provided by the federal administrators to determine the dollar amount of food stamps a client should receive.

"The computation isn't difficult," Gregory stated, "and hardly ever do we have an error in that. The chances of an error are slim."

Food stamp specialists in Perquimans County are Kitty Nowell

and Laura Newby. Crystal Towe is the supervisor.

Gregory said these workers have a number of years experience in food stamp administration and attend training sessions each year.

The specialists interview prospective recipients, and document and verify all information given them by applicants.

Upon their completion of the case file, it is examined by the supervisor. A three-member county social

services board also inspects the case files.

In addition to this county audit system, a state reviewer makes periodic unannounced visits to the office, pulling random samples to survey.

Said Bonnie Cramer, "Every six months throughout the state we have to review 1200 cases."

"We have got lots of small counties

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## Error rate viewed as unacceptable

By SUSAN HARRIS

In a press conference called on January 6 by Dr. Sarah Morrow, Secretary of the N.C. State Department of Human Resources, concern and displeasure was expressed over the "unacceptably high food stamp error rate" found in North Carolina's counties.

Dr. Morrow referred to a sampling of files pulled at random in county social services offices during the period of October 1980 through March 1981 which revealed a statewide error rate of 15.26 percent in food stamp administration, 2.66 percent above the national average of 12.6 percent.

The study cited overpayments of \$6.5 million, underpayments of \$6 million, and payments to ineligible recipients of \$5.65 million during this period.

Dr. Morrow warned county social services directors that the error rate must be substantially decreased by

July, or her department may seek legislative action to contract out food stamp distribution to private companies.

"I don't know that they (private companies) could do a better job," Dr. Morrow stated. "In all probability our local departments of social services can do the best job...But we are interested in seeing if private enterprise can do a better job."

The federally funded food stamp program is administered through county social services offices who annually issue \$240 million in food stamps to over 600,000 recipients in North Carolina.

Although the state will not be required to reimburse the full \$12.1 million dispensed in error, a fine of \$3.5 million will be imposed unless the state submits an acceptable plan to reduce errors by April.

The proposed fine for North

(Continued on page 2)



A beached boat sits on the icy shoreline of the Perquimans River across from Hertford. Temperatures in the area were below 10 degrees last weekend and early this week and more of the same is expected.

## Community saddened by Ashley decision

### Residents call him a good man who made a mistake

By TOM OSTROSKY

Perquimans County residents were both surprised and saddened by the outcome of the investigation of Hertford Bank of North Carolina vice-president J. Wayne Ashley.

Ashley pleaded guilty in U.S. District Court in Fayetteville to embezzlement of bank money and falsifying bank records Tuesday of last week. He was sentenced to five years in prison, five years prison term suspended, and five years probation.

But many county residents expressed their support of the man who was perhaps the friendliest, most

respected and most involved man in the community.

"I never heard anybody say anything bad about the guy," said T. Erie Haste a friend of Ashley's who is on the Board of Directors of BNC in Hobbsville. "He was a faithful and dependable friend."

"He was a good friend of mine, and a good friend to the community," said Wayne Winslow, a sentiment expressed by many county residents.

"He just about the nicest man you'd ever want to meet," added Robert Sutton, a member of the Board of Directors at BNC in Hertford.

Haste and Sutton can also attest to his skill as a banker. "The bank was doing very well under him," said Sutton, and Haste added that his profit percentage was one of the highest of any BNC branch in the state.

But they add that he was a good banker in other ways also. Many local farmers and businessmen will tell you that they are still working because Ashley help them out when they were in a bind. "He'd would almost go out on a limb to help you," said Haste, and Winslow noted, "He is a rural person, and he knows the kind of things agribusinesses go through. Coming from his background, he was sympathetic to their needs. He helped a lot of people in banking."

Among the many activities he was involved in, Ashley was a member of the Ruritans, a president and organizer of the Jaycees who received a Distinguished Service Award from that group, president of the county's Democratic Party and a midget league football coach. "Not only was he active," said Haste, "but he was capable. Some people join a group and don't do anything. When Wayne belonged to a group he was always a leader."

Though no one has any real idea of the motivation behind Ashley's crime, those who were asked agreed on two things: that the crime was a mistake uncharacteristic of Ashley, and that Ashley did not do it for his own benefit.

"Good people make mistakes also," said Sutton. "Until you see it happen, you always think it couldn't."

"My first impulse when I heard about Wayne was that he'd gotten himself in a tight spot trying to help someone else out," said Haste. "And I may be trying to convince myself of something, but I still believe that there were other circumstances involved."

"When your a close friend of someone for a long time, you don't always see frailties," said Winslow. "People are human, they make

mistakes. I believe what he did was for the benefit of another and not his own."

"From talking with Wayne," Winslow added, "he is deeply hurt by what has happened, because he liked the area and he liked the people here and he felt like he's let them down."

Ashley resigned from his post at BNC last August 12, and was indicted November 3. He pleaded guilty in Fayetteville to embezzling \$176,000 in certificates of deposit, and falsifying loans for \$46,867.17 and \$9,252.82. He had pleaded not guilty at a probable cause hearing in New Bern last November 16.

BNC is suing Ashley for return of the embezzled money. The Federal Bureau of Investigation is still investigating Ashley for possible involvement in "laundering" money obtained from a fraudulent contracting scheme in Pinellas County, Florida.

Local residents have said that they are ready to help Ashley in the same way he has helped them. "I stand ready to help Wayne in anyway way I can," said Haste.

"If I can find some way to rectify what's happened, I do it," said Winslow. "I want him banking. We'll never get any one else like him."

## Drugs targeted

### Police make yearly report

By SUSAN HARRIS

The Hertford Police Department set out to "make some inroads into the drug problem in Hertford" in 1981, according to Police Chief Marshall Merritt.

Merritt labeled drug traffic the biggest issue facing the department in the way of crime, with crimes of theft also a forerunner.

Thirty-four drug-related arrests were made during the year ranging from simple possession of marijuana to felonious possession of heroin.

More arrests may have been made, but Merritt stated that the department doesn't have the money or the informants needed to develop cases culminating in arrests. "We just don't have the budget that it takes," he said.

The apprehension of suspected drug offenders is attributed by the police chief to Captain Morris' training at the Drug Enforcement Administration School and to three or four active informants.

A total of 347 violations were reported to and investigated by the department during the year, resulting in 260 arrests. "Our percentage (75 percent) was as high, if not higher, than any department in the state of North Carolina," commented Chief Merritt.

Merritt placed the conviction rate at 95 percent partly due to good judges and district attorneys. "I feel like the judges in the first district are the best in the state," he asserted.

The town's citizens can be helpful in preventing crime and capturing criminals according to Merritt by "reporting anything and everything they see that they think is suspicious to the police department" immediately.

Several times the department has received information after an arrest had been made that could have speeded up the investigation and gotten the offender off the streets had people come forward earlier.

The following is the annual

report released by the police department at last Monday's town council meeting.

Robbery	02
Attempted robbery	04
Assault & battery	39
Resisting arrest	06
Disorderly conduct	08
Trespass	06
Crime against nature	01
Obstruct & delay a law enforcement officer	01
Discharging a fire-arm within city limits	01
Carrying a fire-arm into an establishment where alcoholic beverages are sold	01
Carrying a concealed weapon	02
First degree burglary	03
Second degree burglary	01
Breaking & entering, larceny	03
Aid & abet, breaking & entering, larceny	03
Accessory to breaking & entering, larceny	01
Larceny	15
Shoplifting	09
Larceny of a motor vehicle	01
Receiving stolen goods	05
Arson	02
Check forgery	06
Uttering forged paper	03
Aid & abet, uttering forged paper	06
Worthless check	06
Check written on closed account	03
Injury to personal property	05
Injury to real property	02
Unauthorized use of a motor vehicle	02
Abandonment & nonsupport	02
Sale or delivery of heroin	10
Aid & abet, sale or delivery of heroin	02
Possession of heroin with intent to sell or deliver	02
Conspiracy to sell or deliver heroin	04
Felonious possession of heroin	01
Sale or delivery of cocaine	02
Conspiracy to sell or deliver cocaine	02
Felonious possession of cocaine	01
Sale or delivery of marijuana	02
Possession of marijuana with intent to sell or deliver	02
Felonious possession of marijuana	01
Manufacturing marijuana	01
Simple possession of marijuana	04
Keeping a dwelling for the use or sale of controlled substances	06
Unlawful possession and sale of taxpaid liquor	1
Contributing to the delinquency of a minor	02
Fugitive warrant	01
Failure to appear	12
Probation violation	04
Failure to comply with court judgement	01
Hit & run, failure to notify authorities	01
Hit & run, where there is property damage	01
Wreckless driving	02
Driving while license revoked	02
Making a false stolen vehicle report	01
Littering	01
Public inebriate	09

The major concerns of the department in 1982 are to focus on a better arrest rate for breaking and entering and larceny, and to keep the crime rate down as much as possible.

## This week

The Catholic Social Services office looks after needy people. Turn to page three.

## Weather

Chance of snow today, with cloudy skies Friday and Saturday. Highs in the upper 30s and lows in the upper 20s.

