

Audit Does Not Mean Funds Misused

By GARY STEWART
Co-Editor

The Department of Housing and Urban Development (HUD) has completed an audit of the Kings Mountain Community Development Block Grant Program in which auditors list 10 findings regarding questioned costs exceeding \$700,000 and substantive apparent non-compliances with certain applicable laws and regulations.

However, the report, which was mailed to the city from Betsy H. Stafford, Manager of the Area HUD office in Greensboro on October 22, does not necessarily mean that the money was used for improper services.

William R. Todd, Regional Inspector General for Audit, Region IV in Atlanta, has told Ms. Stafford the findings are subject to her office's final review and determination as to eligibility and corrective action needed.

The city is to be given a period of 60 days to secure documentation to support the costs questioned in the audit report.

Mayor John Henry Moss said the city "will respond to each individual question and supply documentary evidence to the eligibility. We feel they'll be satisfied because they approved the applications which say substantially the same thing as the audit."

The audit's 10 findings include:

- 1) - Use of neighborhood facility (community center) is in conflict with program requirements;
- 2) - Excessive charges of \$129,010.74 to the CDBG program;
- 3) - Costs incurred for projects not approved by HUD, \$74,458.20;
- 4) - Other costs questioned as to eligibility, about \$46,600;
- 5) - Application for other federal funds not adequately pursued;
- 6) - Weaknesses in contracting procedures result in inadequate control over services of consultants and project cost;
- 7) - Real estate acquisition requirements not met;
- 8) - Weaknesses in administration of Section 312 Rehabilitation Loan Program;
- 9) - Improvements needed in administration of labor standards;
- 10) - System for monitoring and evaluating program activities not established.

The audit report claims the city spent \$344,881.86 on community center additions which were in conflict with requirements of the Neighborhood Facility and CDBG programs; disbursed \$74,458.20 for three projects and charged the cost to the CDBG program although the projects were disapproved by HUD; drew an excessive letter of credit funds of \$129,010.74 and erroneously charged the expenditure to the CDBG program; charged \$46,600 to the CDBG program primarily for office furniture and equipment used for other than CDBG activities; and that employees were partially engaged in other activities.

HUD pointed out that this is the first audit of the city's CDBG program and that it discussed the findings with city personnel during a review and conference on August 30, 1979.

The audit's questions on the 10 findings include:

Finding one, community center - The report claims the use of the

center is in conflict with program requirements because it was used in many respects as a sports arena, exhibition hall for private businesses and offices for groups not engaged in community development related activities. Two building additions appeared primarily designed to accommodate such ineligible activities, and a substantial portion of the original facility was not used. The audit claims the need for two additions to the building and related costs of about \$326,000 are questionable.

The report also questions the fee schedule for activities such as basketball clinics, private classes for modeling, dance and gymnastics, karate, college basketball and professional wrestling.

Auditors feel the use of the center for wrestling, exhibitions of private businesses and offices for the Chamber of Commerce and Credit Bureau were in conflict with the grant contract with HUD and the Housing and Urban Development Act of 1965.

Mayor Moss said the audit was conducted during July and August, which is a slack time for inside

activities at the community center. "We feel that surveys we've made on the use of the building will satisfy the request for additional documentation."

The audit suggests that the Greensboro office enforce the terms of the grant contract and require the city to use the facility for eligible activities and require the city to develop a program for fuller utilization of the facility within the goals and objectives of the Neighborhood Facility and CDBG programs. It further recommends that the Greensboro office determine what portion, if any, of the cost of the additions to the facility is eligible for CDBG funding.

Finding two - The report claims the city used \$129,010.74 of HUD money to pay a project which should have been paid from other sources. As a result, the project cost was overstated by \$129,010.74 and additional interest was incurred by the U.S. Government.

Mayor Moss and city auditor Joe Ogburn of A.M. Fullen and Co. of Charlotte said the project

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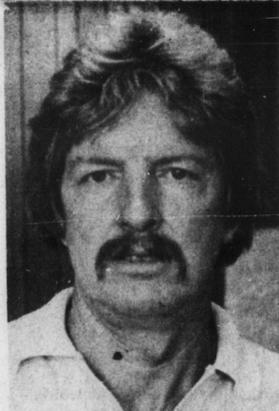
W.W. (BILL) McCARTER



HAROLD HERNDON



MARTHA BYERS



RONALD QUEEN



EDWARD PHILBECK



PHILIP HARRY



JUANITA PRUETTE

Grover To Elect Mayor And Five Commissioners

GROVER—Tuesday, the citizens of Grover will elect a mayor and five council members to serve for the next two years.

Only one of the 12 candidates, Incumbent Mayor Bill McCarter, is assured of election unless a strong rumored write-in campaign upsets the scales. Rumors have been circulating for several weeks that write-ins for both Dean Westmoreland and Tommy Keeter are being urged. Keeter did not seek reelection to his seat on the board and Westmoreland was defeated by

McCarter in a write-in campaign two years ago.

A total of 248 Grover citizens are registered to vote and voting place will be the Grover Rescue Squad Building where the polls open at 6:30 a.m., close at 7:30 p.m. Members of the Grover Board of Elections, who are conducting the municipal election, are Clyde Randle, chairman, Ethel Crocker and Quint McCoy. Carolyn Grindstaff will serve as registrar and judges will be Lucille Randle and Mrs. Fred Cockrell.

Voters of Grover will receive two ballots; a city ballot containing the names of the 12 candidates for municipal office and a ballot to help decide the winner of the KM District Board of Education race where three men are vying for the seat now held by Alex Owens. County registrar is Doris Cooke. Judges are Mary Rollins and Jackie Rountree.

The top five vote-getters in the 12-man commission race will emerge as the winners, as no run-off election is held in Grover. By city ordinance last year, the board upped the number of members of the council from three to five.

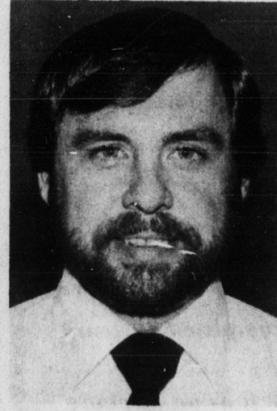
Commissioner candidates include: Incumbents Harold Herndon and Martha Byers, Quay Moss, Juanita Pruette, C. Gene Atkins, Joe Boheler, Philip Harry, Edward Philbeck, Ronald Queen, Grady Ross and Martha Scruggs.



GRADY ROSS



JOE BOHELER



QUAY MOSS



MARTHA SCRUGGS



GENE ATKINS

KM School Race Tuesday

A total of 6,512 Kings Mountain area citizens are registered to vote in Tuesday's Kings Mountain District Board of Education election.

Polls open at 6:30 a.m. and close at 7:30 p.m. at five precincts where citizens will be choosing an outside district school board member from three candidates—Paul A. Hord, Jr., Harold Lineberger and Robert W. (Bill) Moss.

The candidate receiving the most votes will be the winner. There is no run-off in this race and the elected school district trustee will serve a six-year term in the seat now held by Alex Owens, who did not seek reelection.

Bethware citizens will vote at Bethware School where Mrs. Flora Ledford is registrar and H.A. Goforth is Democrat judge and Jack Anthony Republican judge.

Grover citizens will vote at Grover Rescue Squad where Mrs. Doris Cooke is registrar and judges are Mrs. Glenn Rountree (D) and Mrs. Mary C. Rollins (R).

East Kings Mountain citizens will vote at the KM Community Center where Mrs. Margaret White is registrar and judges are Hillard Black (D) and Mrs. Connie Putnam (R).

West Kings Mountain citizens will vote at the National Guard Armory where Mrs. Becky Cooke is registrar and Lewis Hovis (D) and Mrs. Geraldine Myers (R) are judges.

At Waco, where 352 citizens are school district patrons, voters will vote at Waco Volunteer Fire Department where Mrs. Della F. Murray is registrar and Clayton Absher (D) and Maureen Moore (R) are judges.

Max Brooks Is Charged In Robbery

Max Donald Brooks, 38, of 211 Parrish Drive, was arraigned in Charlotte Tuesday morning and charged by the F.B.I. in a federal warrant with the robbery of Independence National Bank in Kings Mountain Monday.

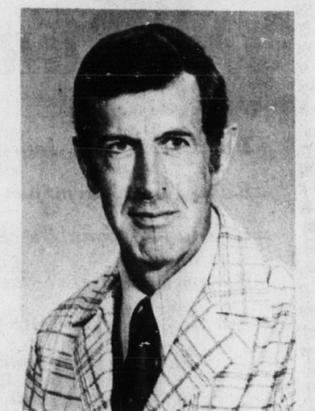
Kings Mountain Police had the suspect in custody 30 minutes after the armed robbery at 12:50 Monday.

The suspect, described as black, with a moustache, and wearing a toboggan with dark glasses, entered the bank alone, demanded the money, all in "large bills" to fill a pillow case, and left in a white car. An employee got the license plate number and summoned police. Five employees and one customer were in the bank at the time.

Kings Mountain officers assisting in the arrest of the suspect were Det. Lt. Richard Reynolds, Sgt. Gaston Corn and Ptl. Ralph Grindstaff.



PAUL HORD, JR.



HAROLD LINEBERGER



ROBERT W. (BILL) MOSS