

State legislators show anger over handling of insolvency

Critics say insurance board acted slowly

AUSTIN (AP) — The recent insolvency of National County Mutual Fire Insurance Co. has raised the ire of some legislators and critics of the State Board of Insurance, who say the agency did not act quickly enough.

There has also been criticism of Insurance Commissioner Doyce Lee and complaints that staff work is getting bottled up at the top of the agency.

Insurance board members attribute many of the problems to a major reorganization of the agency and rapid expansion of the staff — from about 850 employees to 1,300 in the past 18 months.

National County Mutual, a Dallas-based company with 125,000 auto insurance policyholders statewide, was declared insolvent last week and taken over by the insurance board. National County Mutual was \$54 million in the red and became the largest insolvency of a property and casualty company in the state's history.

But apparently it took heavy prodding by Kay Doughty, director of the new Office of Consumer Counsel, to move the board to action.

Doughty charged that the board should have moved earlier to protect the company's policyholders. The board's staff had known of the company's problems since at least 1986.

"What we're starting to hear is that on any number of occasions staff has tried to get upper management to take action," Doughty told the *Austin American-Statesman*.

"It appears this is a pattern of staff reporting properly, and then no action at

the level it would have to be taken for anything concrete to happen."

State Rep. John Gavin, D-Wichita Falls, chairman of the House Insurance Committee, also has been hearing complaints from insurance board employees and has already met with the board to discuss his worries. Gavin said his committee will meet Nov. 10 and probably discuss looking into the insurance board criticisms.

"I want to make sure there aren't any more National County Mutual problems waiting to explode or waiting to come to light," Gavin said.

Gavin said he was concerned about a lack of management, but denied a report that he had asked Commissioner Lee to resign.

Lee, 47, was appointed commissioner in 1985, after serving five years as general counsel. A former state representative from Linden in northeast Texas, he was in private law practice before joining the board's staff in 1975.

Lee described the reorganization in the agency as "traumatic."

The growth spurt came after the 1987 Legislature boosted the agency's budget and staff to exercise greater supervision over the insurance industry. The expansion has required the agency to move many of its operations into new buildings.

One of the changes in the agency involved James Odiorne, who became the senior deputy commissioner through

whom recommendations flowed on whether to put companies under supervision or into receivership. At the same time, he continued to do his old job as liquidator.

Lee said the change involving Odiorne "has produced some grumblings that all of a sudden things are getting bottled up there."

Among those eager to probe the agency are State Rep. Eddie Cavazos, D-Corpus Christi, vice chairman of the House Insurance Committee. He said he would like to "scrutinize (the board's) budget with a fine, fine, fine-tooth comb. I know they're asking for a (budget) increase, and I doubt if they're going to get an increase based on their past performance."

Lawmaker touts device to keep tabs on crooks

AUSTIN (AP) — A state representative ended three days under "house arrest" Wednesday and said electronic monitoring of certain criminal offenders can help the state save money and improve public safety.

"It has been somewhat uncomfortable," said state Rep. Glenn Repp, as the wallet-sized transmitter device was snipped from around his ankle.

"I'll be happy to get it off," the Duncanville Republican added.

The device, which monitors the movement of the wearer and transmits signals to a computer base in Denver, Colo., left a small bruise on Repp's leg.

But the chairman of the House Corrections Subcommittee on Electronic Monitoring said he tried several times to foil the accuracy of the device and was unable to do so.

He refused to say how he tested the apparatus.

Rider Scott, general counsel for Gov. Bill Clements, said electronic monitoring of state prison parolees costs about \$9 per day, compared with \$30 per day of incarceration.

Scott said the program should be used in conjunction with added prison capacity. But he said that with electronic monitoring, the state prison system can better reserve jail space for violent criminals.

"Electronic monitoring can be less intrusive, less expensive, and equally as useful" for some kinds of offenders, Scott said.

Under a pilot program in Texas, 122 prison parolees have completed the electronic monitoring program, with 84 successfully meeting terms of their parole, 28 being placed under new terms of parole and 10 being returned to prison, said Mike Eisenberg of the Texas Board of Pardons and Paroles.

In addition, electronic monitoring also is used in some counties in Texas for probationers. Scott said about 500 people statewide are being monitored under the system.

Repp said he would recommend that the Legislature expand the program next year, but he said lawmakers should approach the concept carefully.

"We don't want to run slipshod into some program that we haven't inspected thoroughly," Repp said.

"This is not going to take the place of prison capacity. This is only another tool in our arsenal in trying to deal with crime," he said.

Jurors shown victims' bloodstained clothing

SAN ANTONIO (AP) — Bloody clothing found on the bodies of four siblings last spring was shown to jurors Wednesday as prosecutors continued the tedious task of setting up their case against capital murder defendant Leo Narvaiz Jr.

Narvaiz, 20, is accused of killing his former girlfriend, Shannon Mann, 17; Jennifer Mann, 19; Martha Mann, 15; and Ernest Mann, 13, on April 15.

Narvaiz, who is in the Bexar County Jail in lieu of \$4 million bond, is the first person in the county to be tried under a law that allows a mass-murder suspect to be tried on capital murder charges.

The four bodies were found in their blood-spattered trailer home on San Antonio's southwest side. The female victims were found with some of their cloth-

ing either pulled over their breasts or below their waists.

Knives believed used in the slayings were entered into evidence Monday. On Wednesday with more than 80 spectators watching, more blood-spattered clothing found on the victims was shown to the jury, along with photographs of the undressed victims.

Police Detective Ramiro Alvear said he gathered evidence at the crime scene and identified most of the photographs of the victims and clothing, which included T-shirts, blouses, shorts, bras, panties and socks. He said he found five knives and three blades at the scene.

Narvaiz, who was writing on a legal pad, showed no emotion when shown photos of his former girlfriend and her siblings, but his attorney, Jeffrey Scott, objected to the numerous photographs being admitted into evidence.

"They are highly prejudicial to my client. They are extremely inflammatory and outweigh any public value," Scott said.

But State District Judge Michael Machado rejected Scott's motions and let the jurors see the items, which also included a blood-spattered telephone from which one of the victims called police, frantically telling them her sisters and brother were being attacked. Police said the victims were stabbed so hard with steak knives that some of the blades broke off in the bodies.

Narvaiz was arrested later that morning and taken to a hospital for treatment of stab wounds to his arm and leg. He was found competent to stand trial in August.

Jury selection took about three weeks. Bexar County District Attorney Fred Rodriguez is prosecuting the case, which is expected to take a month.

Gray County to stop use of pauper's oath limiting voting rights

AUSTIN (AP) — Gray County officials will stop using a pauper's oath that included a provision surrendering the right to vote, the attorney general's office said Wednesday.

"I don't think it was a malicious attempt by anyone in the county to disenfranchise people," said Elna Christopher, spokeswoman for Attorney General Jim Mattox.

"I just think they didn't understand the law. As soon as we explained it to them, they were chagrined it had happened," she said.

"We just told them to stop using it, and they immediately agreed when law was explained to them."

Christopher said officials told the attorney general's office that the oath was being used in connection with indigent burials. Perhaps 40 relatives were required to sign the oath over several years in order for the county to pay for burials, she said.

The Texas Constitution contains a provision that says paupers supported by the county aren't allowed to vote. Christopher said. However, the document also contains other outdated provisions regarding the right to vote that are not followed but have not been repealed, she said.

"Everybody has just ignored it, except out in Gray County, to our knowledge," Christopher said.

She said officials instead follow Texas Election Code provisions.

According to Christopher, Gray County officials said there has only been one person who has come forward to register to vote after signing the oath, and that person was allowed to vote after the county checked with the secretary of state's office.

"The problem I see is people who signed this oath may have just assumed they could not vote and never pressed the point," Christopher said.

"I don't know how one goes about getting the word to them, or if they're still there."

The paragraph in the oath declaring poverty said, "In making this declaration under oath, I acknowledge that I am a resident of Gray County, Texas and that I surrender my rights to vote as set forth in the Constitution of the state of Texas."

The attorney general's office contacted Gray County officials after receiving a request for a legal opinion on the oath from Rep. Juan Hinojosa, D-McAllen.

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Bullock to send extra auditors to bingo games

AUSTIN (AP) — The state comptroller said Wednesday that extra auditors will be dispatched to Houston next week to check complaints of rigged games, cash skimming and other problems at some charity bingo games.

Comptroller Bob Bullock said his office would be auditing games and bingo halls and would take action against unscrupulous operators. Sanctions could include revoking licenses and closing down games, he said.

"There's been a lot of finger-pointing and allegations about bingo games in Houston, and we're going to get to the bottom of it," Bullock said.

Bullock said he would work with Attorney General Jim Mattox in investigating illegal games. Mattox called for such a probe after the *Houston Chronicle* reported dozens of apparent violations of the state's bingo laws.

The report cited rigged games, cash skimming and operators who illegally offer to pay charities a small cut of the bingo proceeds in exchange for running games in the charities' names.

The *Houston Post* reported Tuesday that a Seabrook woman and three Houston men, including one who runs games in Houston, had been charged in Louisiana with violating that state's bingo law.

There are 98 organizations operating bingo games at 52 locations in Harris County. Bullock said his office had received and investigated 44 complaints in the county this year. There also have been 51 audits in Harris County during 1988 and 20 licenses proposed for revocation.

The comptroller's office is limited in action it can take against operators. Bullock said, but he vowed to "take our evidence where we need for the fullest prosecution."

Violations uncovered by his auditors will be given to the Harris County district attorney and the state attorney general, he said.

Bingo games in Texas have generated nearly \$1.4 billion since the Legislature legalized them in 1981. They have produced nearly \$7 million in state taxes and \$25 million in taxes for cities and counties.

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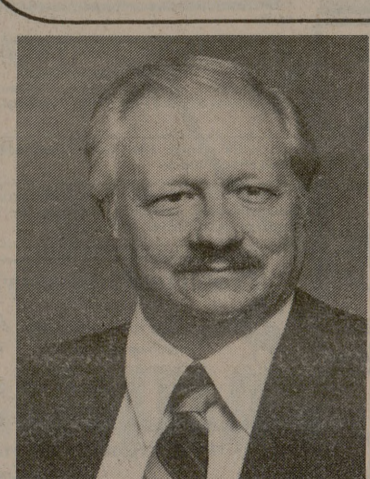
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