

Friday, August 4, 1989

Spokesman says company is attempting to embarrass Mattox by sending letters

SAN ANTONIO (AP) — A time-share company prosecuted for federal and state fraud has been sending letters to newspaper editors praising Texas Attorney General Jim Mattox, but a spokesman for Mattox said Wednesday that the company is trying to embarrass the attorney general.

"You know the old adage, 'With friends like this who needs enemies,'" Ron Dusek, a spokesman for Mattox, said. "It fits perfectly in this situation. Except this company is not our friend." Dusek told the Associated Press.

Officials of the firm, Freedom Financial Corp. of Dallas, say the letters are to thank Mattox for work on

new laws aimed at curbing real estate and time-share abuses, the *San Antonio Light* reported Wednesday.

The company said legislation passed during this year's regular session is "good for the consumer and good for the industry."

But Dusek said the letter-writing campaign was an attempt to discredit Mattox because the attorney general's office pursued the company on fraud charges.

"It was one of our biggest and most important cases," Dusek said. "We got the maximum penalty that state law would allow. We also went on '60 Minutes' and embarrassed that company and its owners publicly."

Freedom Financial recently paid \$1.5 million to the federal government and \$89,000 to the state for fraud charges.

"It appears that they are now attempting to embarrass the attorney general," Dusek said, referring to the company.

In addition, the newspaper reported, Freedom Financial officials gave Mattox \$12,000 in campaign contributions while the attorney general was pursuing deceptive trade practices penalties against the company.

Freedom Financial pleaded guilty

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in 1988 in Beaumont to federal conspiracy and mail fraud charges involving Texas and Missouri promotions for time-share properties that implied people had won cars, cash, jewelry, furs or other valuable prizes.

At the same time the company agreed to settle the state's consumer protection lawsuit and paid \$50 restitution to each defrauded Texas consumer.

Campaign finance reports filed with the Texas Secretary of State show Freedom Financial officials Penelope M. Wilson and Gary Nation contributed \$6,000 each to Mattox's campaign while the attorney general was pursuing action against the company in 1987.

A separate source with access to Mattox's financial data said Tuesday that Mattox also received \$10,000 from Robert Mead, the company's president in 1986, the *Light* reported.

Bush decides not to run for governor; candidates plan to claim supporters

AUSTIN (AP) — The decision by Texas Rangers baseball club owner George W. Bush to sit out the 1990 governor's race has left the remaining Republican hopefuls claiming his supporters.

Bush, the president's eldest son, had been seen by many as the GOP frontrunner if he decided to run for governor.

But this week he announced that the only race which interests him is for the American League pennant.

Former Secretary of State Jack Rains and Midland oilman Clayton Williams, both of whom have

announced their candidacies, say they will attract Bush's supporters.

Railroad Commissioner Kent Hance, who is preparing to announce but hasn't yet, made a similar prediction.

And T. Boone Pickens, the Amarillo oilman-corporate raider, said Bush's decision has no bearing on his, which is expected within the next few weeks.

State GOP Chairman Fred Meyer said Bush's withdrawal should please all the party's gubernatorial hopefuls.

Nuclear plant to shut down for refueling

HOUSTON (AP) — The South Texas Nuclear Plant's Unit 1 will begin shutting down Friday for refueling, plant officials say.

The unit, which has been in commercial operation since April 1988, will undergo a 55-day shutdown that will allow for testing, maintenance and modifications, plant spokesman Glen Walker said.

Walker said operators will replace one-third of the fuel in the reactor. All operations within the reactor core will take place under a protective blanket of water laden with boron, a chemical that absorbs neutron radiation and prevents any reaction from taking place, he said.

The refueling is done by remote control and involves removing 36 exhausted fuel assemblies from the center of the core, moving partially used assemblies into the center and installing new fuel assemblies around the sides.

Austin resident wants to bronze Treaty Oak if it dies, replant replica

AUSTIN (AP) — If the struggling Treaty Oak dies, an Austin foundry operator wants to cast it in bronze and replant the metal replica — which could weigh 15 tons — on the site where the tree has stood for centuries.

"The city owns the tree," John Kasson II said. "All I can do is plant the seed of its rebirth in bronze and hope the city or some public-spirited people from the private sector get behind the idea and help us make it a reality."

Kasson guesses the project would cost more than \$1 million.

The live oak, estimated to be 500

years old and having a branch spread of 110 feet, was poisoned with the herbicide Velpar last spring.

Police have accused Paul S. Cullen, 45, of Elroy, with poisoning the tree, allegedly as part of a ritual. He remains jailed on a charge of felony criminal mischief.

Kasson said he hopes the tree, which is being treated by foresters from around the country, recovers.

"This is not the time to bury Treaty Oak," he said. "We need to keep praying and pulling for the tree to heal. No statue can take the place of nature."

Chairman: Clement's vendetta might end 20 employees' jobs

AUSTIN (AP) — Texas Aeronautics Commission Chairman Richard Emerson said Thursday 20 state employees will lose their jobs because Gov. Bill Clements has a personal vendetta against him.

But the governor's staff refuted the charge and said they are working to secure funds to maintain those jobs.

Clements signed a bill into law that would restructure the Aeronautics Commission into the Texas Department of Aviation.

The new department comes on line Oct. 18, but funds for the old one run out on Sept. 1 because of an earlier veto by Clements.

Emerson said the commission's 20 employees will be let go.

"Those people down there are going to be out of a job at the end of this month, just to get even with me," Emerson said. "It is wrong for people to be put out of work 'because of a personal vendetta,' he said.

But Jay Rosser, deputy press secretary for Clements, said Emerson was wrong.

"Our office is now working to find other sources of funding," Rosser said. "There is no intent legislatively or in the governor's eyes to abolish those jobs."

Rosser said the effective date of the law was delayed until Oct. 18 because of a parliamentary problem when the Senate passed the bill, but failed to take a record vote.

"The goal is to restructure that agency to the benefit of aeronautics and aviation in Texas," Rosser said.

"Clearly, the objective is to ensure those jobs are in place Sept. 1," he said.

Emerson opposed Clements' earlier attempts to merge the Aeronautics Commission into the Texas Department of Highways and Public Transportation.

He said the small agency would get lost in the massive highway department.

Also, he bucked Clements' no-new-taxes pledge by advocating an aviation fuels tax, which has been opposed by the airlines.

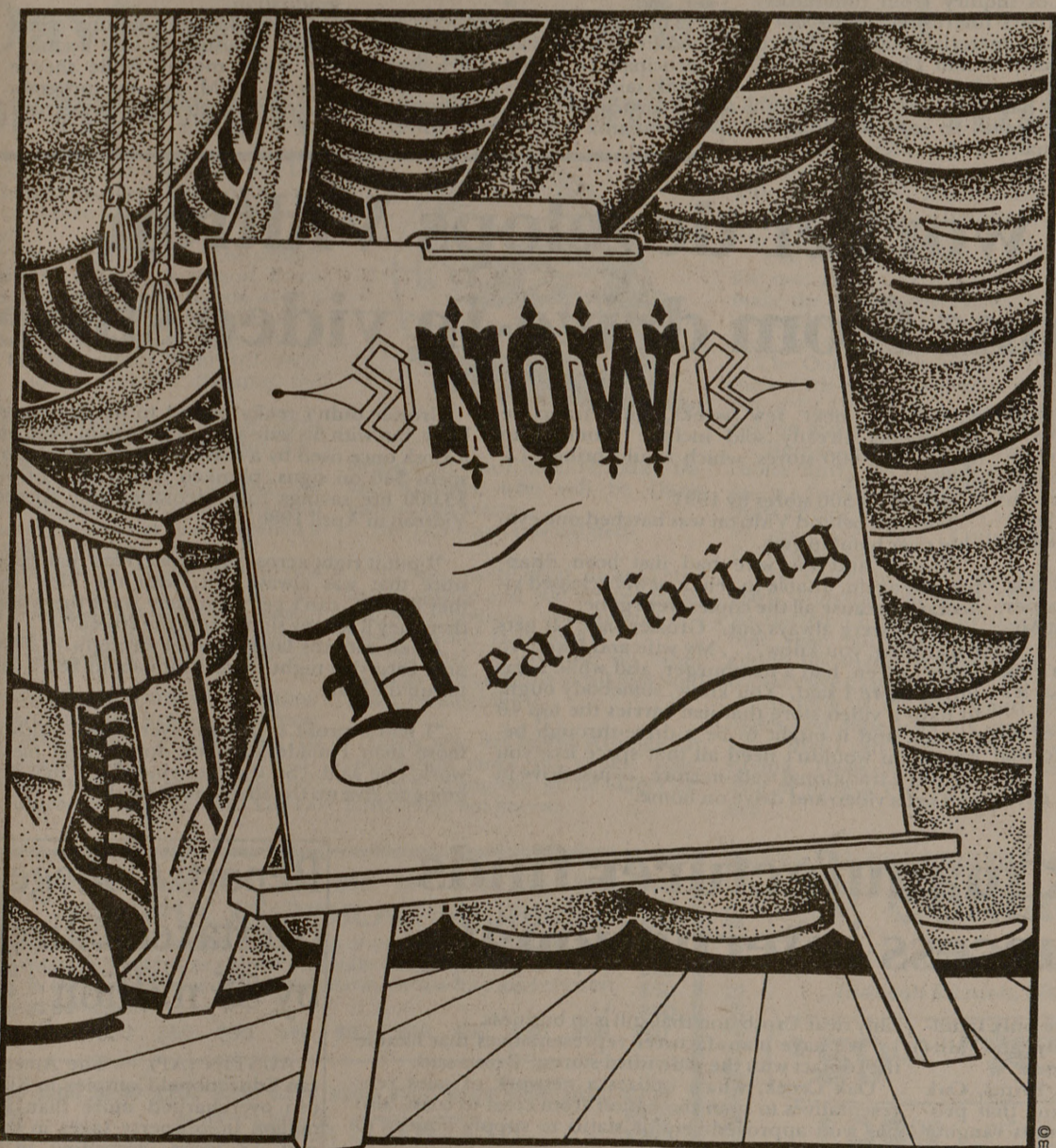
Emerson said Texas is the only state in the country that doesn't assess an aviation fuels tax.

Emerson, the Caldwell County Republican Party chairman, said he had in the past supported Clements, also a Republican.

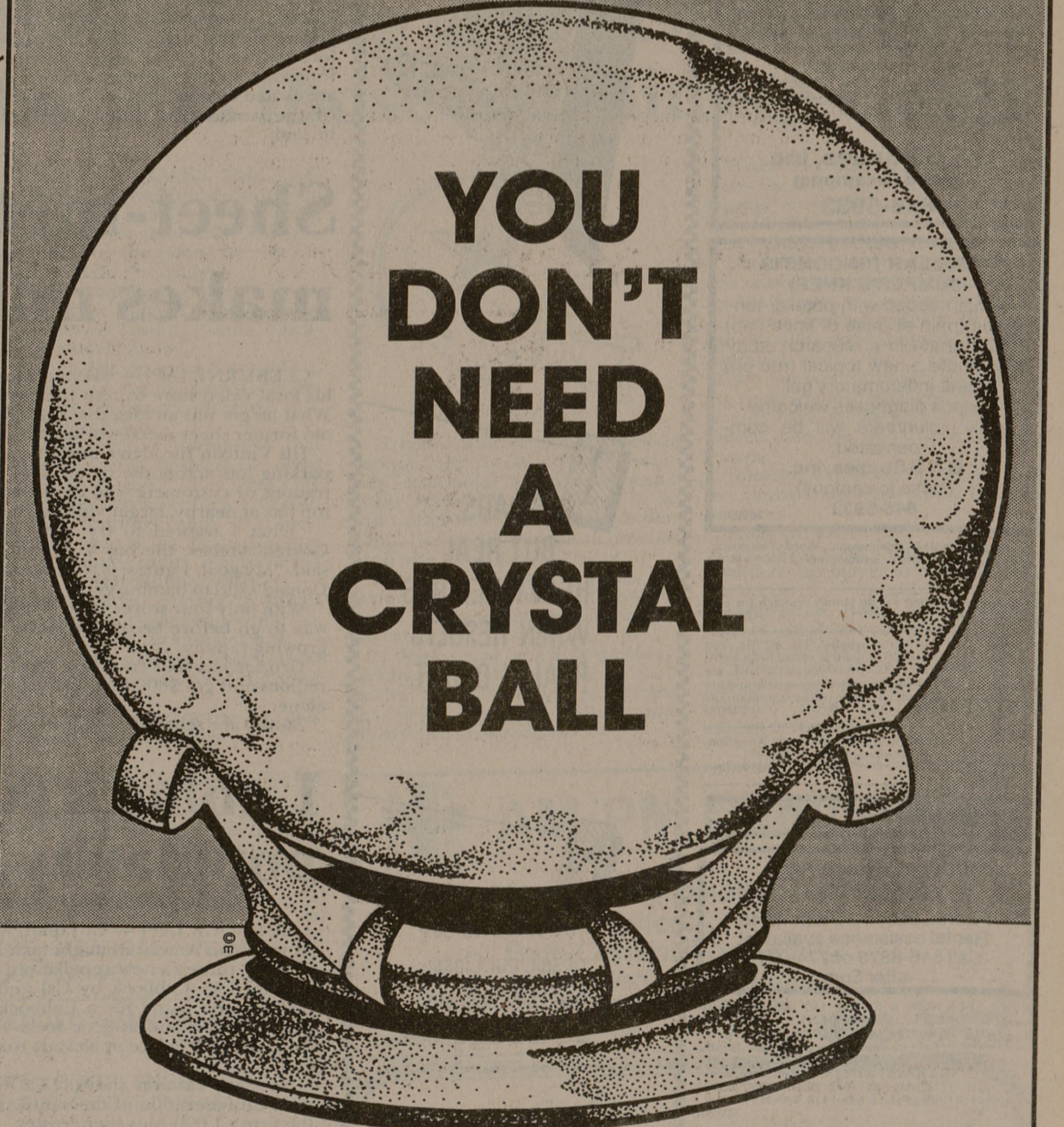
But he said, "It will never happen again. I'm very bitter because of what has happened, because of this pettiness and what happened to a lot of really dedicated and nice people."

The Aeronautics Commission primarily assists small airports in planning, construction and financing of aviation facilities.

Under the restructuring, the department will handle the same duties in addition to channeling federal aviation funds to airports.



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