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Monday, August 28, 1989

## **Church group accused of evading rules**

PASADENA, Calif. (AP) — A fundamentalist church group improperly spent \$117,000 earmarked a low-income housing project here and tried to evade government rules to sell the building at an enor-mous profit, HUD records and court documents show.

The sale of The Concord, a 150unit high-rise building, was halted through the persistence of tenants who feared they would be evicted or their rents would triple, lawyers familiar with the case said.

dicted on criminal charges in Alabama.

operating procedure.

MADISON, Wis. (AP) - The State Racing Board has

But Terence M. Dunleavy, the board's executive di-

rector, said the board's letter to Dairyland Greyhound Park investors Herman and Elliot Maisel was "standard

"All we're doing is investigating the situation to make sure everything is on the up and up because this is a rac-ing-related matter," Dunleavy said. Ellis McDonald, a partner with the Maisels in the Mo-

asked two investors in a Kenosha County greyhound track to clarify their relationship with an associate in-

general at the Department of Housing and Urban Development to conduct an audit, which found \$117,787 in project funds were improperly spent by The Concord's owner, Community Churches of America. Among other things, HUD found

that Concord funds were used to pay church group officers and purchase two vans used for church events. The housing agency eventually reached a settlement with the group on the misspent money.

iliar with the case said. The Glendale-based fundamen-The tenants urged the inspector talist group first tried to sell the

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**Board** investigates track investors,

relationship with indicted partner

million, after paying off the balance of a \$2.05 million HUD loan to the original developer. Congress has since prohibited pre-payment of HUD loans unless the housing secretary finds that existing tenants are protected from eviction or higher

Community Churches tried again in 1985 to sell the building for \$5.5 million, under the protection of a bankruptcy reorganization. But the bankruptcy sale was blocked after objections were raised by tenants,

apartment building in 1982 for \$5.5 church creditors and HUD lawyers, according to court records on file in

nearby Los Angeles. Community Churches was headed by the Rev. William S. McBirnie, a charismatic preacher. Community Churches acquired The Concord in 1979 and organized a non-profit foundation to run the building in accordance with HUD regulations. The building was erected in 1966 to provide subsidized housing for the

elderly and handicapped. But there were problems from the outset, said Clements Gordon, 81, a former building manager who spearheaded the tenants' fight.

McBirnie planned to use the Concord to house his own parishioners and the loyal listeners to his anti-communist radio broadcasts, "Voice of Americanism,"he said.

By 1982, McBirnie decided to sell The Concord because "we were con-stantly being frustrated at making improvements in the building and not being able to do the good work that we had intended," he said in a legal declaration. He did not return calls seeking comment. In August 1982, Gordon and

other tenants filed suit to block the sale of The Concord.

There was intense pressure to set-tle because McBirnie's groups had obtained a short-term loan at high interest to pay off the HUD loan, McNurt seid McNutt said

Europeans fear repeaple of U.S. crack flood, work to avoid crisis

LONDON (AP) - Crack seizures in Western Europe amount to a few ounces a year, a tiny haul alongside the U.S. flood. But

many Europeans are getting wor-"Crack is the specter I see hanging over Europe," Britain's home secretary, Douglas Hurd, told delegates of the 23-nation Council of Europe whom he in-vited to London in May to discuss deug abuse

drug abuse. "Our job must be to work to-gether, urgently, to ensure that the United States experience is not repeated here," he said.

Britain is the only European country already battling a crack problem. But with crack's parent drug, cocaine, flowing into Eu-rope alongside horrifying images of crack's impact in the United

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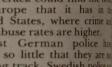
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BOG grams, or 3.5 ounces. Agents of the Drug Enfore es Sur ment Agency have held fices Sur workshop to teach Italianshow spot the substance and the more pars rep lem is likely to be high on threats a agencias of two major drug of threats to be ng cente agendas of two major drug on News ferences. art has

Crack is a smokeable derivate using a of cocaine that gives an interior we assass intense high but wears off in The few minutes, leaving a lingent,

few minutes, leaving a lingen, deep depression. Europeans are divided of the size of the wolf at the dor The Dutch predict they we doubt crack could find the book in Europe that it has in United States, where crime a drug abuse rates are higher. West German police has keeping track. Swedish polices

States, vigilance is increasing. Interpol, the Paris-based international police agency, now monitors all crack seizures, rather than only those of over 100 spain and Italy have seized now out by



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bile Greyhound Track, was indicted in Alabama on sev-

eral criminal charges. The charges include racketeering, mail fraud, intim-idating a witness, conspiracy to defraud by obstructing

the Internal Revenue Service, aiding in the preparation

kickbacks and committing other crimes in connection

with the construction of a waste water treatment plant in Mobile, Ala., and another contract with the Scott Pa-

Dunleavy said he was confident McDonald's indict-ment would affect the Maisels' Wisconsin track license.

He is accused of receiving more than \$1 million in

of false income tax returns and tax evasion

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