

OIC Early Audit Info Disclosed

An audit of the Opportunities Industrialization Center did disclose irregularities that warranted a further investigation, says Assemblyman Charlie Joerg, R-Carson City, a partner in the firm.

The audit conducted by Joerg's partner, Mike Stoddard, revealed "certain information" that indicated "a review of the entire operation might be in order." Joerg made the statements in a campaign mailer that went to Assembly District 40 voters Tuesday.

That information was given to James Chaney, the head of the poverty agency, Joerg said.

Until now Joerg has declined comment on the contents of the audit his firm conducted for the Opportunities Industrialization Center. He and Stoddard have filed a defamation suit against state Office of Community Services Director Linda Ryan, who initiated a state investigation of the Joerg and Stoddard audit after learning about a host of problems at the poverty agency.

A second audit of the agency disclosed an alleged \$1,000 kickback to Bob Hill, regional director of the Economic Development Administration. Hill is under investigation by federal officials.

Joerg, who has filed for re-election, contends Ryan and Gov. Richard Bryan are engaged in a calculated effort to defeat him.

Also included is a sworn statement from Chaney, in which the Opportunities Industrialization Center director charges that Ryan threatened to withdraw funding for his poverty agency unless he cooperated with the governor to defeat Joerg.

The U.S. Economic Development Administration has frozen a \$1.3 million loan application by the embattled Las Vegas Opportunities Industrialization Center, an EDA spokesman said last week.

City officials said the freeze now jeopardizes the chances of the \$1.3 million being pumped into the economically depressed West Las Vegas area. There has been talk the EDA may

plan on allocating that money to projects outside Nevada if it doesn't give the money to OIC.

"Further processing of the application has been suspended because there are no local matching funds," said EDA spokesman Christy Bakaly from Washington, D.C.

Bakaly said the action was taken late last month after the EDA's Seattle office, which heads the department's western region, was informed by Las Vegas city officials they have withdrawn a matching \$250,000 community development block grant to OIC for its Bonanza Road hotel renovation project.

The Las Vegas City Council last week postponed until Sept. 5 any action on re-allocating the \$250,000 grant it denied OIC last month. City Manager Ashley Hall said the city should receive word from the EDA by then on the status of the \$1.3 million loan.

The city, on June 20, withdrew its support of the OIC project after an internal audit uncovered more than \$50,000 in misuse of city-backed funds by the community agency.

City councilmen had expressed concern then that the \$1.3 million could be lost to the area if they took bold action to cut off OIC's funding.

Many community agencies have requested the \$250,000 for other projects in the area because of the possibility they also could receive the EDA's \$1.3 million, Hall said.

Some agency spokesmen have expressed desires to use the money for hotel renovation, but Hall said he did not know if the renovation plans were for the same hotel for which OIC had requested the money.

MISS AMERICA

from page 5

caused Miss Williams to relinquish her title." In a statement issued in Atlantic City, N.J., he said she had "fulfilled all of the duties and responsibilities of her position in exemplary fashion."

As the painted portrait of Williams that had hung in pagant offices was taken down, Marks said no deal was struck with Williams to get her to resign.

Pageant officials in Atlantic City, N.J., on Friday had demanded Williams' resignation within 72 hours. Williams, the first Miss America in the pageant's 63-year history to be forced out, met the deadline Monday afternoon but declared herself "shocked and deeply hurt" by the abrupt demand for her abdication.

"The girl did take her clothes off. She did sign a model release form and she signed a model registry form indicating she wanted to see these pictures published in a magazine," says Guccione, 53, who founded *Penthouse* 15 years ago in September.

He said Monday he believes his decision to publish 10 pages of controversial photos was "the right choice."

"It was not a moral decision, it was a business decision and obviously, I made the right choice," Guccione says. He predicts 5 million copies of the magazine.

Williams said she did not sign a release form to permit publication of the sexually explicit photographs.

Penthouse publisher Bob Guccione said he has a release "absolutely authenticated."

And, he said, "I don't feel that I'm responsi-

ble" for Williams losing the title.

Williams said she would devote herself to her career. She had reported receiving offers for various show business projects.

Pageant officials said Williams would keep the approximately \$125,000 in appearance fees earned since last September, along with the \$25,000 cash scholarship. Charles received a \$17,000 scholarship as first runner-up, to which pageant officials will add \$8,000.

"It is apparent to me that because of all that has happened during the past week, it would be difficult for me to make an appearance as Miss America," Williams said in a calm voice.

"I wish I could retain my title," Williams said.

She said her mistake was "almost totally devastating to have to share with the American public and the world at large."

The 10-page layout in the September *Penthouse*, rushed to newsstands a week early Monday and selling for \$4 instead of the usual \$3, showed Williams posing nude in several sexually suggestive scenes with an unidentified woman.

It was announced Wednesday morning that Vanessa Williams is now suffering from men-

tal depression and is receiving psychological counseling.



SUZETTE CHARLES

Just so the new Miss

America starts off with a clean record, let's start with the fact that her name really isn't Suzette Charles.

Her real name is Suzette DeGaetano, pageant officials said.

The former Miss New Jersey thought it was too much of a tongue twister so she adopted her father's first name, Charles, as her last for professional purposes.

Union Officers Osley, Hawkins Plead Innocent to Union Charges

George Osley, Jr. and Bernard Hawkins, the top officers of Laborers Local 872, pleaded innocent last Friday to charges of embezzling in excess of \$15,000 in union funds.

U.S. Magistrate Phillip Pro set a Sept. 18 trial date. Osley, the local's secretary-treasurer, and union president Hawkins remain free awaiting trial on \$20,000 and \$10,000 unsecured bond respectively.

The two men were named in a 20-count federal indictment earlier this month charging them with embezzling more than \$900 for their re-election campaign. Osley was also charged with embezzling an additional \$14,229 to pay for materials used in the construction of his Jefferson Street home.

The two union bosses were re-elected to a three-year term June 15.

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