

To testify as government witness

James Chaney, former OIC head, pleads guilty to extortion charge

According to the Las Vegas Sun, James Chaney, former executive director of the Las Vegas Opportunities Industrialization Center, pleaded guilty Monday to federal charges of extortion and subordination of perjury and agreed to testify as a government witness.

Under terms of a plea arrangement with the government, federal prosecutors can call Chaney, the former executive director of the Las Vegas Opportunities Industrialization Center, to testify against his remaining co-defendants, including Robert Hill, former U.S. Economic Development western regional director.

The report said that Chaney built his powerbase in the 1970s by working as campaign chairman in the predominantly black community of West Las Vegas for many present and

former elected officials, both Republican and Democrat.

Chaney could be sentenced to as much as six years in prison in keeping with the negotiated agreement. That agreement, hashed out between Assistant U.S. Attorney James Erbeck and defense counsel Stewart Bell, places a three-year sentencing cap on each of the two charges.

In a related development, former OIC "consultant" James "Night Train" Nelson pleaded guilty to one count of perjury. Nelson faces the prospect of a potential five-year prison sentence.

Both Chaney and Nelson are scheduled to be sentenced July 26 by U.S. District Judge Lloyd George. The government agreed to dismiss related charges at the time of sentencing.

Chaney and Hill led a list of 11 defendants named in a

36-count federal grand jury indictment returned last December following a lengthy investigation by the FBI. The indictment charged the group with conspiring to divert \$30,000 in federal funds earmarked for OIC into their own pockets.

In pleading guilty to the charges, Chaney admitted authorizing a bogus \$1,100 payment to Nelson. Investigators allege that individuals who did not work at the agency were paid phony "consulting fees" for which Chaney also received a kickback.

Chaney also admitted that he persuaded former OIC employee Beatrice Randle to lie before a federal grand jury about an alleged \$1,000 kickback to Hill. Nelson admitted lying to the grand jury about his consulting arrangement with Chaney.

A 1984 Las Vegas Sun investigative series reported that OIC allegedly misused thousands of dollars in federal funds, gave a \$1,000 kickback to Hill, used employees to secure sexual favors for public officials and covered up a \$4,500 embezzlement. Many of the allegations raised in that series were contained in the indictment.

Chaney remains at liberty on \$50,000 unsecured bond as he awaits sentencing. By pleading guilty, he drastically reduced what could have shaped up as an onerous prison sentence had he been found guilty.

Until his decision Monday to cooperate with the

government, Chaney, who was originally charged with conspiracy, bribery, extortion, theft of government funds, making a false statement, obstruction of justice and subordination of perjury, had faced a maximum penalty of 329 years in prison and \$437,000 in fines, if convicted on all counts.

In March, former OIC bookkeeper Rosemary Hendrickson was placed on two years probation on a misdemeanor charge of filing a false report with the U.S. Department of Housing and Urban Development.

Others charged along with Chaney include former OIC board member Alfred Brown, former UNLV basketball star Silas Stepp and his wife Dorothy, Jo Ann Jones, Verdia Turner, Ernestine Boyle and Linda Marks.

PCP Suspect Formally Charged

A North Las Vegas woman who allegedly tried to ship one gallon of PCP, air freight, from Las Vegas to New Orleans, was formally charged by a federal grand jury Thursday.

The one-count indictment charged Marilyn Ann Jordan, 22, of 3021 E. Carey Ave. with distribution of a controlled substance. Last week, agents of the Drug Enforcement Administration arrested Jordan after intercepting the PCP shipment at McCarran International Airport.

New Dawn bill hits stalemate in Senate

CARSON CITY — Las Vegas Democratic Assemblyman Gene Collins was accused Sunday of getting a "political payoff" from his Republican colleagues in the form of a bill handing \$150,000 in state funds to the New Dawn Technical Institute.

"They're paying Gene Collins off for voting Republican this session," said Sen. Helen Foley, D-Las Vegas and chairman of the Clark County delegation. "I think it's disgusting because I think money is going to go into the pockets of a few people. I think it's a payoff. There are very worthwhile programs on the Westside that should be funded. This isn't one of them."

The New Dawn Institute was founded in 1983 to assist small businesses on the Westside get started, and has the support of the Black Ministerial Alliance, a group from which Collins readily admits taking instructions.

Collins denied the appropriation was a payoff for supporting Republican proposals.

"You have to be able to work with the people in power," he said. "I know 17 Democrats cannot pass a bill. I came up to try to get people off of welfare. It's just unfortunate a few narrow-minded individuals in the state don't see the nature of what I'm trying to do."

The Senate Finance Committee had previously rejected Collins' New Dawn bill "deader than a doornail," said one source. But on Sunday the Assembly tagged the appropriation onto another bill that sets aside \$150,000 to pay for a state economic development office in Washington, D.C.

Originally, the bill was intended to hand the cash directly over to the institute, a move some sources claimed was illegal, and which Legislative Counsel Frank Daykin acknowledged was at least debatably illegal.

To make it more palatable, the appropriation was re-written so the money would

funnel through the city of Las Vegas, which already has agreed to give the institute \$25,000 to get started.

Clark County has agreed to give New Dawn \$10,000 and the state Economic Development Commission has agreed to give the institute \$25,000. Another \$15,000 would come from the private sector.

The amendment handing the state's money over to New Dawn was opposed by 11 Democrats and two Republicans in the Assembly. Despite their opposition, the amendment passed on a 28-13 vote. The bill itself was to be voted on later Sunday evening, and then transferred back to the Senate for concurrence and expected opposition.

"It's been obvious from the beginning of the session the leaders in the Assembly majority (Republicans) needed the vote from Collins," said a source who asked to remain anonymous. "It became apparent a deal had been cut with the Republican Assembly leaders."

Foley said residents on the Westside have been "taken advantage of" and the amendment would not help the small businessman. "I think the state should do everything it can to help revive the Westside, but I don't think New Dawn is the answer."

But Sen. Joe Neal, D-North Las Vegas, was not upset that Collins, a fellow black, was getting a bonus from the Republicans for his Republican-oriented stance in the lower house. Neal, obviously upset that his bill to honor slain civil rights leader Martin Luther King with a holiday died in the Senate, said Collins deserves the reward. He noted the Assembly supported Collin's own King bill, which also was defeated in the Senate.

"They've done more for Collins on the Assembly side than the Democrats (who control the Senate) are doing over here for me," said Neal.

Jobless benefits restrictions OK'd

CARSON CITY — Unemployment compensation would be limited under a bill passed Thursday in the Assembly, 26-15.

Under AB142, unemployment benefits would be denied to workers quitting their jobs for reasons unrelated to the conditions of employment.

Assemblyman John Jeffrey, D-Henderson, who opposed the bill, saying a woman who quits her job because she is pregnant would not be eligible for unemployment compensation.

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