

Source indicates former administrator hospitalized

E.F. Black Jr., who resigned Monday night as administrator of Saline Memorial Hospital, is currently hospitalized for psychiatric evaluation, a reliable source told *The Benton Courier* today.

The source did not reveal the name of the hospital where Black is a patient.

Black did not attend Monday night's meeting of Saline Memorial Hospital Board and efforts to reach him by telephone have not been successful.

Dr. Jim Porter, who serves as hospital board chairman, declined to give any explanation for Black's resignation following that meeting and would not state

the reasons the following day.

Today, however, Porter issued this one-sentence statement: "The proper authorities are verifying the records at the hospital." He did not give any additional explanation.

Board member J.B. Tittle, who was contacted today concerning the administrator's resignation, would not reveal the situation that preceded the board's action.

"I can't say at this time," Tittle commented. "All questions will have to be referred to the chairman."

The only other action the board took at its Monday night meeting was to appoint Tommy Gilbert acting administrator.

State police is continuing investigation at hospital

Investigation into the financial records at Saline Memorial Hospital is still under way, Prosecuting Attorney Bob Alsobrook said today.

Alsobrook said he conferred Wednesday with State Police Investigator Dale Swesey and was told that the investigation is not expected to be completed for three or four more days.

Also participating in the investigation is Frank Mitchell of the State Police.

That probe officially began at 1 p.m. March 7, two days after Saline Memorial Hospital Board members voted in a special session to accept the resignation of Hospital Administrator E.F. Black Jr.

Hospital officials have not stated any reasons for Black's

resignation and the board chairman, Dr. Jim Porter, has said that any additional information about the situation would have to come from Alsobrook's office.

Circuit Judge John Cole said today there have been no requests for a grand jury investigation into the matter.

A Wednesday editorial in *The Benton Courier* called for Alsobrook to step aside as prosecutor in the case and for a special prosecutor to be named. The editorial also suggested an immediate call for a grand jury investigation.

Dan Moudy, who is Alsobrook's law partner, is attorney for Saline Memorial Hospital. The editorial suggested a conflict of interest had been created by association.

Local hospital board accepts resignation of Black

3-7-84

By LYNDA HOLLENBECK
Courier Staff Writer

Saline Memorial Hospital Board, meeting in a surprise special session Monday night, voted unanimously to accept the resignation of Hospital Administrator E.F. Black Jr.

Black did not attend the meeting and no explanation of his resignation was offered by members of the board.

The board named Tommy Gilbert, one of the hospital's two associate administrators, to serve as the interim administrator until a new administrator is chosen.

This action took place in a brief public session that followed a 50-minute executive session.

When the open meeting began, Dr. Jim Porter, board chairman, announced that he would entertain a motion. Board member Mary Frances Izard presented the motion to accept Black's resignation and board member Robert Haynes seconded the motion.

A unanimous vote sealed that

act, which was followed by a motion from board member Jim Villines to name Gilbert as interim administrator. Board member James Curtis seconded the Villines motion, which also passed unanimously.

The session then adjourned.

After the session had adjourned, Dr. Porter told reporters he could not, at this time, release any other information related to Black's resignation and, when contacted today at the hospital, did not offer any additional explanation.

Board member Jim Villines had "no comment" when reached today and efforts to contact other board members were not successful. Attempts to reach Black at his home were also unsuccessful.

Black, who has been administrator of Saline Memorial since 1976, joined the hospital as assistant administrator in July 1974. Even though he did not become the official administrator of the facility until after the death on Nov. 19, 1976, of Art Wilson, the hospital's chief executive for 18

years, for several months prior to that time, Black had assumed many of Wilson's duties when failing health made it impossible for Wilson to perform those functions. In an October meeting of that year, the hospital board had already voted to make Black administrator, effective Dec. 1, 1976.

Black, a Benton native and a 1962 graduate of Benton High School, attended Ouchita Baptist University and Henderson State University. He is married to the former Linda Butler, and they have two children, Robert and Patricia. His parents are Mr. and Mrs. E.F. Black Sr. of Benton.

Prior to accepting the position of assistant administrator at Saline Memorial, Black was director of the admitting and business office at St. Mary Medical Center, Bauer Hospital, in Long Beach, Calif.

He also was employed in various departments of St. Joseph Hospital in Houston, Texas, and from 1966-1969, owned and operated a collection agency.

Grand jury needed

More than a week has passed now and nothing new has surfaced regarding the mysterious resignation of E. F. Black Jr. as administrator of Saline Memorial Hospital.

Rumor and innuendo abound, however.

After a couple of days of hide and seek with the board, it became official that nothing more would be forthcoming, except through the prosecutor's office. The prosecutor's office, headed by Bob Alsobrook, made a statement that the state police would be conducting an investigation. He said no further information would be forthcoming until that investigation was completed.

The deputy prosecutor, Dan Moudy, is Alsobrook's law partner. Moudy also serves as attorney for Saline Memorial Hospital. He was involved in advising the board regarding the resignation of Black.

Both Alsobrook and Moudy are highly respected in their profession.

Through the fault of neither, a conflict of interest has been created by the situation. There is but one way to overcome this conflict and serve the public's interest.

Mr. Alsobrook must step aside.

The state police should continue its investigation, but should turn over all its evidence to a special prosecutor, who should be appointed immediately.

Further, a grand jury should be called by a special prosecutor without hesitation or delay.

Saline Memorial Hospital has been, and will continue to be, a fine institution. It has served Saline County well. It will continue to serve her well.

But it cannot stand the rumor and innuendo that has surrounded it and its former administrator.

It is a county hospital. The residents of Saline County have a right to know if any wrongdoing has been committed. It is only proper that the full story should surface.

The haste with which a decision is made is as important as whether it is made.

DB

Alsobrook set to call grand jury

Prosecuting Attorney Bob Alsobrook said Thursday he plans to call for a grand jury investigation once a State Police probe into financial records of Saline Memorial Hospital has been completed.

Earlier, Alsobrook said that investigation is expected to continue for a few more days. Investigators Dale Swesey and Frank Mitchell of the State Police are involved in those proceedings.

Alsobrook says he will serve as prosecutor during the grand jury investigation, rather than appointing a special prosecutor. "I don't see that there's any conflict of interest," he commented.

Dan Moudy, who is Alsobrook's law partner, is attorney for Saline Memorial Hospital. An editorial in *The Benton Courier* earlier this week called the association a conflict of interest and asked Alsobrook to step aside as prosecutor in the case.

The investigation at the hospital began March 7, following the sudden resignation on March 5 of Hospital Administrator E.F. Black Jr. Members of the hospital board have declined to state the reasons for Black's resignation, referring all questions to the prosecuting attorney's office.

The prosecuting attorney's office has given no reason for Black's resignation, either.

Moudy also says he perceives no conflict of interest in the case. Moudy said he was not currently Black's personal attorney, but said he had handled

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The right to know

A cloud continues to hang directly over Saline Memorial Hospital. It will take a breath of fresh air to remove it.

So far, the administrator has suspiciously and suddenly resigned and now the purchasing director has been suspended, pending the outcome of an investigation being conducted by the State Police.

The board isn't talking.

The prosecutor, Bob Alsobrook, refuses to step aside, although mismanagement of hospital funds has been alleged and his law partner, Dan Moudy, is the attorney for that institution.

Moudy also is a deputy prosecutor and has personally represented E.F. Black Jr., the former administrator, on at least one occasion in the past.

Both attorneys indicate they see no conflict of interest. The rumor and innuendo of a week ago persist. In some instances, it is out of control.

The investigation being conducted by the State Police should be concluded late next week, according to Alsobrook. We are pleased that a grand jury will be called soon afterward.

Saline Memorial Hospital has been good to the people of the county. The people of Saline County have been good to the hospital. Through their tax dollars, they operate it.

They deserve to know how *their* money has been mismanaged.

We urge the hospital board, its attorney, the prosecutor and the State Police investigators to call a press conference at the conclusion of the probe to tell the public exactly, in detail, what happened. And, we want them to answer questions.

That's the fresh air we must have.

This is not an investigation of the local dry goods store. It is an investigation of the county's hospital. The county's hospital is the people's hospital.

The people have a right to know what occurred at *their* institution.

DB

Hospital board chairman calls press meeting

Dr. Jim Porter, chairman of Saline Memorial Hospital Board, revealed in a press conference today that the sudden resignation of Hospital Administrator E.F. Black Jr. on March 5 resulted from "personal problems which had apparently impaired his management capabilities."

Porter said Black's decision to resign followed a review of hospital financial records on March 3. At that time, Porter said the board was made aware of "some financial discrepancies that internal fiscal controls could not validate."

He said the board attorney was consulted and on March 4, the prosecuting attorney was notified that the records in question were being reviewed and would be submitted for his verification.

On March 5, in a meeting with the controller, outside auditor and the administrator, a review was made of the records in question, and following that session, the administrator decided it was in the best interest of the hospital for him to resign, Porter said. That resignation was officially accepted later in the day at a called session of the hospital board.

Porter said Black had requested and received care as recommended by an area physician not associated with the board. He had served slightly more than one year of a three-year contract at that time, he added. Black had been administrator at the hospital since 1976.

Porter assured the media that "the hospital is solvent and is running in normal fashion. The board is satisfied

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that the highest standard of patient care continues to be provided."

Porter said the board did not issue any statements at that point "since the prosecuting attorney's office was to verify the records" and the board was awaiting the outcome of that report before making any comments.

He said that late Tuesday, March 6, it was learned that the prosecuting attorney felt an objective investigation by an outside agency should be undertaken, which had begun by noon on March 7.

"Based on the original items in question, the board felt that a prompt investigation could be done, the facts made public and the matter resolved as quickly as possible by whatever means necessary," Porter said. "Obviously, the situation has required

more extensive investigation than originally anticipated."

He emphasized that there was no delay in turning the investigation over to the property authorities.

"We are as anxious to resolve this issue as anyone," he said. "We agree that the public has every right to know what is happening at the hospital."

However, Porter said the board does not feel that haste should interfere with "accurate fact-finding or the rights of any individual."

He said he believes the record will show that "everyone at the hospital has cooperated with the authorities in this matter and that the board and its counsel have recognized their obligation to both the public and the individual."

Grand jury slated to continue probe of county hospital

Prosecuting Attorney Bob Alsobrook announced today that a grand jury will be convened Thursday and Friday as part of a continuing investigation into financial discrepancies at Saline Memorial Hospital.

The jury was called by Circuit Judge John Cole.

It will be the first county grand jury in almost a year. A Saline County grand jury convened almost a year ago to the day, to hear testimony on two criminal matters.

The grand jury, empaneled on March 31, 1983, resulted in five indictments. The indictments were the result of the attempted capital murder, rape, first-degree battery, aggravated assault and burglary of an 86-year-old Benton woman.

Alsobrook said subpoenas will go out today to witnesses who will be called to testify during those proceedings, which are not open to the public.

The sessions are scheduled to begin at 9 a.m. at the Saline County Courthouse.

The grand jury investigation follows a State Police investigation that began March 7. Alsobrook said the State Police have not completed that probe but will have completed their work before Thursday.

The investigation followed the sudden resignation of Hospital Adminis-

trator E.F. Black Jr. on March 5 in a special meeting of Saline Memorial Hospital Board. Since that time, one other hospital employee, James Ralph, director of purchasing, has been suspended, with pay, at the request of investigators.

In another matter, not related to the investigation, the hospital board met late Friday afternoon to finalize the purchase of ambulance transfer equipment from Ballards' Funeral Home.

That equipment, which is to be used in a proposed county-wide ambulance service the hospital hopes to implement, will be purchased for \$25,000; other equipment is to be purchased from Ashby Funeral Home for \$11,500. However, both of these purchases are contingent upon the hospital receiving exclusive franchises from each of the county's municipalities for operation of the ambulance service.

The board's regular monthly meeting will be at 7 p.m. Tuesday in the hospital conference room. The agenda will include further discussion of the ambulance service proposal, including opening bids on emergency ambulances and radios and other items to equip those vehicles.

Other items to come before the board will be construction change orders related to a radiology expansion project, medical staff applications and regular monthly reports.

Prospective jurors to meet Thursday

Forty persons have been called as prospective jurors for a grand jury scheduled to convene Thursday and Friday at the Saline County Court-house.

Those persons will assemble at 9 a.m. before Circuit Judge John Cole of Sheridan, who will conduct the process of qualifying 16 for jury duty.

Prosecuting Attorney Bob Alsobrook requested the grand jury as part of a continuing investigation into financial discrepancies at Saline Memorial Hospital. A State Police probe into the records in question is scheduled to conclude before Thursday, Alsobrook said Monday.

Subpoenas went out Monday to witnesses who are being called to testify before the grand jury, Alsobrook said.

The names of the potential grand jurors are:

John C. Harding, Joseph A. Gaylo Jr., Craig R. Millard, Norma Jean Corley, Wilna O. Myers, Annie H. Jones, Carlos C. Beaver, Randy L. Blue, Leo M. Bryant, James Alfred Harris Jr.

Raymond O. Bermingham, Freddie J. Cullins, Emmett F. Fagan, Monroe A. Hawley, Frank W. Tracy, James W. Reasons, Marilyn L. Coursey, Frances J. Pelton, Norma J. Gilland, Sherman W. Lancaster.

Kathy A. Sanders, Rita M. Rich, Floyd M. Melson, John H. Meisner, Carolyn M. Carter, Mikquel F. King, Nancy E. Frank, Lisa R. Wilson, Tommy J. Caldwell, Lisa D. McCarty.

Mercedes Burks, Wanda E. Crook, Daniel L. Howard, Lucy P. Shelton, Lucille A. Lambert, Ronald L. Wright, Bobby C. Carter, James F. Thomas, Agnes P. Courtney and Stella M. Taylor.

Prosecutors sometimes use grand juries to test their evidence or to uncover additional information for use in criminal cases. An indictment is handed down when grand jurors are persuaded by the evidence that the prosecutor has reason to try a case.

Those under investigation by a grand jury may be called to testify but are not allowed to use an attorney to present rebuttal evidence. That opportunity comes later when anyone indicted is tried before a 12-member petit jury.

If the grand jury indicts a suspect, the prosecutor usually believes he will have an easier time of winning in the actual trial. Even if no indictment is returned, however, the prosecutor still has the option to try the case before a petit jury.

16 picked for grand jury

3 witnesses called to testify

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Three witnesses were called to testify this morning before a Saline County grand jury, empaneled today to hear testimony regarding an investigation into financial discrepancies at Saline Memorial Hospital.

The 16-member jury was chosen from a list of 40 prospects. The prospects were drawn from a list of registered voters, according to Circuit Judge John Cole.

Cole appointed Joseph A. Gaylo Jr. to serve as foreman of the panel, which also includes John C. Harding, Norma Jean Corley, Carlos C. Beavert, Randy L. Blue, James A. Fred Harris Jr., Raymond O. Birmingham, Emmett F. Fagan, Frank W. Tracy, James W. Reasons, Mari-

lyn L. Coursey, Frances J. Pelton, Norma J. Gilland, Sherman W. Lancaster, Rita M. Rich and Floyd M. Melson.

After the jurors were sworn in by Circuit Clerk Jimmy Seals, the judge closed the courtroom to only the members of the grand jury, Prosecuting Attorney Bob Alsobrook, and persons subpoenaed as witnesses who were called in on an individual basis.

Testifying before the panel before noon today were Ron Morris, controller at Saline Memorial; Tommy Gilbert, acting administrator of the hospital; and Sonny Aylor, the hospital's director of materials management.

Among others who were called as witnesses, but had not testified before

noon today, were Jane Utley, administrative secretary at the hospital; and Margaret Parish, a former employee of the facility. Parish was a nurse recruiter and conducted surveys on nurse staffing, according to a spokesperson in the personnel department at the hospital.

After the 16 persons had been sworn in to serve on the jury, Judge Cole outlined the procedure a grand jury follows. He said the jury should listen to all of the evidence to determine if a criminal act had been committed, and if so, by whom.

The judge admonished the panel not to indict anyone unless there was sufficient evidence to do so. If after hearing the evidence, the panel

should decide to indict someone, he instructed them to return a "true bill." If the jury should decide not to indict anyone, a "no bill" would be returned, he explained.

A State Police investigation into the hospital's financial discrepancies began March 7. Two days prior to that time, E.F. Black, administrator of the hospital since 1976, submitted his resignation at a called meeting of the hospital board. During the course of a State Police investigation, James Ralph, the hospital's director of purchasing, was suspended at the request of investigators.

The grand jury is expected to complete its proceedings by Friday, according to Judge Cole and Alsobrook.

Board sets follow-up on contract.

Saline Memorial Hospital Board will be meeting in a special session Monday night as a follow-up to the board's decision last week to begin contract negotiations with the attorney representing the hospital's former administrator, E.F. Black Jr.

Black resigned from the hospital March 5 and had served one year of a three-year contract at that time.

Dr. Jim Porter, chairman of the hospital board, said, "In response to demands from Mr. Black's attorney, the board's attorney sought counsel from another attorney that has expertise in contract negotiations."

Dan Moudy is the hospital's attorney and Buddy Sutton of the law firm of Friday, Eldridge and Clark is handling these negotiations, Porter said.

"Mr. Sutton has drafted a counter-proposal, based on normal severance pay and benefits based on the amount of time served under the contract, which has been accepted by Mr. Black's attorney but not yet ratified by the hospital board," Porter said.

He said that the agreement stipulates that any funds that are transferred as a result of the settlement will be held in an escrow account, pending any indictments that involve financial matters.

The board meeting, which will begin with an executive session that is closed to the public, is scheduled for 7 p.m.



Jim Ralph

Ralph indicted by grand jury

By LYNDA HOLLENBECK
Courier Staff Writer

Jim Ralph, director of purchasing at Saline Memorial, was one of three persons indicted by a Saline County grand jury Thursday, according to information revealed today by Chief Deputy Rick Elmendorf.

Names of the other two persons who were indicted were not released because bench warrants had not been served. Prosecuting Attorney Bob Alsobrook said the names would be released after the warrants are served.

Ralph was indicted on 15 counts of theft of property, according to Elmendorf.

Elmendorf said Ralph had not been arrested as of mid-morning Friday, but indicated Ralph's attorney and the prosecutor agreed to release information regarding Ralph's indictment. No bond has been set.

Ralph was recently suspended at the request of State Police investigators who had been brought in to conduct a probe of financial discrepancies at the hospital.

Ralph was an unsuccessful candidate for a position on the Bryant School Board and was formerly a teacher at Bryant Middle School.

The grand jury convened at 9 a.m. and had concluded its work by 3:08 p.m. Called to testify during the day's proceedings were Ron Morris, controller at the hospital; Tommy Gilbert, acting administrator of the hos-

pital; Sonny Aylor, director of materials management at the hospital; and State Police investigators Frank Mitchell and Dale Swesey.

Also testifying were Jane Utley, administrative secretary at the hospital; William Davis, an employee in the hospital's environmental safety department; Margaret Parish, a former hospital employee who was a nurse recruiter, according to personnel records; Mrs. Parish's husband, John Parish; and Melvin King, associate administrator of the hospital.

The State Police investigation began March 7, two days after the hospital's administrator, E.F. Black Jr., submitted his resignation in a called session of the hospital board.

That investigation was concluded Tuesday, investigator Frank Mitchell said today. On Wednesday, he said, "the case was put together for presentation to the grand jury Thursday."

Mitchell said he feels the grand jury "did what it was called to do," but added, "In all my years of investigation, I have never been involved in one like this."

Mitchell said that "probably a dozen people" were interviewed during the course of the investigation. All information obtained during that investigation was turned over to the prosecuting attorney, who decided which persons would be called as witnesses before the grand jury.

Board splits, 4-2, on settlement with Black

In a split decision, Saline Memorial Hospital Board voted 4-2 today to pay \$23,027.05, including retirement benefits, to the hospital's former administrator, E.F. Black Jr., as settlement of his contract.

That figure is the gross amount of the settlement, board chairman Dr. Jim Porter said. The actual figure will be minus federal, state and Social Security deductions, he said.

Black resigned his position as administrator March 5 after financial discrepancies had been discovered at the hospital.

The money to settle Black's three-year contract, of which he had served one year, is to be placed into an escrow account that Black will not have access to until it is determined if he will be convicted of criminal charges.

Black is charged with 20 counts of theft of property and was one of three persons indicted Thursday by a Saline County grand jury.

In the discussion of the contract

settlement, today, board member Mary Frances Izard presented the motion to accept the terms of the agreement that Attorney Buddy Sutton of the law firm of Friday, Eldridge and Clark had recommended and Robert Haynes seconded that motion. Voting for that motion were Izard, Haynes, Jim Curtis and Raymond Thomas; voting "no" were Jim Villines and J.B. Tittle.

Prior to that motion, Villines had presented a motion to accept Black's resignation and to refuse the negotiations. Tittle seconded that proposal, but it was defeated 4-2 when a vote was taken.

When Sutton advised the board of its options, he pointed out that the "complication of an obvious mental problem constitutes a serious legal question." Black has been hospitalized for psychiatric evaluation since his resignation.

Sutton told the board that failure to negotiate an agreement could lead to

lengthy court battles and said he believed the board should "clear it and get the man out of your hospital, even if it costs you a few dollars."

Black's contract, dated Feb. 22, 1983, called for a salary of \$53,123.20. He received a cost-of-living increase at the end of the first year, along with all employees of the hospital.

In addition to his salary, Black's contract contained an abundance of benefits.

His vacation plan called for five weeks per year of paid vacation, with the stipulation that unused vacation time could accumulate to a maximum of eight weeks total in any one year.

He also was entitled to accrue 2.4 weeks of compensated sick leave in each contract year. Unused sick leave time from each of the contract years could accumulate over the life of the contract. The maximum accrual was 243 hours. All sick time in excess of the 243 hours was to be converted to vacation time at the rate of one vaca-

tion day for three sick days, according to the contract.

The contract also provided at least 12 months of compensation at full pay plus benefits in the event of a single period of prolonged inability to work due to the results of a sickness or an injury. That 12-month period would have begun after all sick leave and vacation benefits had been exhausted.

The contract further allowed Black to be absent from the hospital during working days to attend professional meetings and to attend to and participate in outside professional duties in the hospital field. That was considered fully compensated hospital service time.

That provision included reimbursement "for all reasonable expenses incurred by him, and at his discretion, his wife's expenses incident to attendance at professional meetings in state." The contract also provided Black with reimbursement for "all reasonable expenses incurred by him

and his wife incident to attending the annual national meeting of the American Academy of Medical Administrators."

Only Black's expenses were allowable for other out-of-state meetings "unless otherwise approved by the Board of Directors." That paragraph of the contract also said, "The hospital shall reimburse E.F. Black, Jr. for reasonable entertainment expenses incurred in the furtherance of the hospital's interest."

The hospital agreed to pay dues to professional associations and societies and to such service organizations and clubs of which Black was a member, according to the contract.

The hospital agreed to insure Black under its general liability policy and provide a group life insurance policy for Black equivalent to his annual salary of the time of death, payable to the beneficiary of his choice. Comprehensive health and major medical insurance also was provided for

Black and his family, according to the contract.

The hospital also provided, at hospital cost, over the counter and prescribed drugs for Black and his family. In addition, the hospital furnished Black with an automobile and all expenses for its operation.

A contribution on behalf of Black was made by the hospital to the Safe-co Tax Sheltered Annuity Retirement Plan for Saline Memorial Hospital employees at the rate of 10 percent of his annual salary.

All meals at the hospital were provided for Black at the hospital's expense.

Black was given a non-receipted expense account of \$200 monthly.

In addition to other standard contract provisions, paragraph seven of Black's contract said, "The hospital reserves the right to terminate this agreement in the event that E.F. Black Jr. is convicted of a felony offense."

opinion

4-284

The waiting game

The public awaits.

Three indictments, one of which became public record early today, were handed out by a Saline County grand jury, empaneled Thursday to hear evidence regarding financial discrepancies at Saline Memorial Hospital.

We congratulate the prosecutor and the grand jury on handling the matters before them swiftly.

Questions still remain.

We contend that an open press conference revealing all the results of the State Police investigation should be forthcoming. We understand that bench warrants must be served before names of those indicted by the grand jury can be made public.

Only the fullest of disclosures will be acceptable to the residents of Saline County. We see no reason why the public should be kept in the dark any longer. If a reason exists, the public deserves to know that, also.

The rumors around town and imaginations of the people must be worse than what any disclosure could reveal.

This newspaper and the people of the county are ready to put all the dirt behind us. We just want to make sure it is not swept under the proverbial rug.

Saline Memorial has one of the finest reputations of any hospital anywhere. Those who believe anyone has questioned the high level of patient care at this county facility is shortsighted.

It will survive all the difficult times it has endured in recent weeks. Its employees have suffered from the pressures surrounding any wrongdoing. When all the facts become public is when the pressures will be over for its people.

We hope it is soon.

DB



E.F. Black Jr.



Linda Black

H-284

Grand jury indicts E.F., Linda Black

Saline County Sheriff James Steed today released the names of the two other persons who were indicted last week by a Saline County grand jury. Indicted were E.F. Black Jr., former administrator of Saline Memorial Hospital, and Black's wife, Linda.

The sheriff's office announced Friday that Jim Ralph, the director of purchasing at the hospital, who had been suspended during a State Police investigation, had been indicted, along with two other persons.

The names of the other two were not released, pending the serving of arrest warrants. Steed said those warrants are being served today.

Bond has been set at \$25,000 for E.F. Black and \$2,000 for Linda Black. The amount of bond was set

by Judge John Cole Thursday at the conclusion of the grand jury proceedings, the sheriff said.

Ralph entered a plea of not guilty in arraignment proceedings today and was released on a \$18,750 bond.

Steed said that E.F. Black and Linda Black are scheduled for booking Wednesday.

Black's resignation as administrator came about March 5 in a called session of the Saline Memorial Hospital board and a State Police investigation into financial discrepancies at the hospital began two days later.

Delbert Mickel Jr. of Little Rock is serving as the attorney for the Blacks and Pete Lancaster and Curtis Rickard are representing Ralph.

Hearing set for Thursday

The former administrator of Saline Memorial Hospital and his wife are to be arraigned in Saline County Circuit Court Thursday, Prosecuting Attorney Bob Alsobrook said today.

E.F. Black Jr. is charged with 20 counts of theft of property, and his wife, Linda, is charged with one count of theft of property.

That hearing is tentatively set for 9 a.m. before Judge John Cole, Alsobrook said.

Indictments against E.F. Black and Linda Black were handed down last Thursday by a Saline County grand jury that also indicted Jim Ralph, director of purchasing at the hospital.

Black resigned as administrator of the hospital March 5, and Ralph was suspended during the course of a State Police investigation of financial discrepancies at the hospital.

Trials for the three persons are expected to be set for July or August, Alsobrook said.

He also said that the total estimated value of the stolen property involved in the three indictments was estimated between \$10,000 and \$15,000. He did not specify what the stolen items were, but said that no narcotics were involved.

Bond has been set at \$25,000 for E.F. Black, \$18,750 for Ralph and \$2,000 for Linda Black.

Hospital board

4-3-09

The entire predicament involving Saline Memorial Hospital and its former administrator has been an embarrassment to the Hospital Board of Directors.

The board is the governing body of the county entity and has the final say in the major decision-making process. But, no one believes the board is totally responsible for recent problems — at least no one should.

The board truly has been swift in its actions, delayed only by a State Police investigation that took longer than most had anticipated. One failure of the board, however, was not keeping the public updated on the "goings on" at the hospital following the sudden resignation of E.F. Black Jr., the former administrator.

Dr. Jim Porter did, however, call a press conference near the end of the investigation to update the public. The information gleaned from that forum was sparse, but it was all of the available information the board could provide at that time. Porter is chairman of the board.

The board likely will come under some criticism for its Monday decision to settle the contract of Black. While Black's contract was likely more lucrative than it should have been relating to the administrator's expenses and the apparent rubber stamping of those expenses by the board, the decision to settle the contract and place the \$23,027.05 into an escrow account is the best decision the board could make.

The biggest problem facing Saline Memorial Hospital at this juncture is getting the entire operation of the hospital off the rocky road it has been traveling and onto a smoother surface. That can only be accomplished by seeking out a new administrator with a proven record to come in and run the hospital in a manner becoming to Saline County.

The board could not begin that search until Black was out of the picture. As the special attorney for the board explained, the only way to get Black out of the picture was to settle his contract.

If Black is convicted of a felony offense, however, he is not entitled to any of the hospital's money, according to his contract.

The board's selection of a new administrator should not only be speedy, but it also should be a decision that the board, the employees of the hospital, and the people of Saline County will be proud of for many years to come.

The board must now wipe that egg from its collective face and get on with the duties at hand. We have no doubt they will do just that.

Ralph suspension subject of meeting

By LYNDA HOLLENBECK
Courier Staff Writer

Saline Memorial Hospital Board will be meeting in a special session at 7 tonight to deal with a personnel matter related to a suspended employee, Jim Ralph.

Ralph, the hospital's director of purchasing, was one of three persons indicted last week by a Saline County grand jury that had been called to investigate financial discrepancies that were discovered at the hospital.

Ralph has been charged with 15 counts of theft of property. The board has not terminated him from the hospital, but is expected to make a decision regarding his position at tonight's meeting.

The board has been concerned with some complex personnel problems during the past few weeks, beginning with the March 5 resignation of the hospital's administrator, E.F. Black Jr.

During a State Police investigation that began two days after Black's resignation, Ralph was suspended at the request of investigators.

A grand jury that was called to deal with matters pertaining to that investigation handed down indictments against Ralph, Black, and Black's wife, Linda.

Meeting in a special session at noon Monday, the board agreed to a negotiated settlement of Black's three-year contract. His resignation occurred after he had served one year of a three-year contract.

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Board members differed in their feelings about a financial settlement, but in a 4-2 vote, the board approved a negotiated settlement which calls for paying Black \$23,027.05, plus retirement benefits. The board also extended his hospital benefits for six months.

The figure named in the settlement is the gross figure and does not take into account federal, state and Social Security deductions. It represents one month's severance pay, which is customary, plus one-third of the remainder of this year's wages, board chairman Dr. Jim Porter said.

Any moneys in question in the indictment will be held in an escrow account, pending the results of criminal proceedings involving Black, who is charged with 20 counts of theft of property. The hospital board has not been told the exact amount of money that is involved in the charges against Black.

In Monday's meeting, attorney Buddy Sutton of the law firm of Friday, Eldridge and Clark presented his recommendation to the board.

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Ralph's money held

By LYNDA HOLLENBECK
Courier Staff Writer

Saline Memorial Hospital Board, meeting Tuesday night in one of several special sessions held recently, accepted the resignation of the hospital's director of purchasing, Jim Ralph.

Following an executive session that lasted nearly two hours, the board unanimously voted to empower the hospital attorney, Dan Moudy, to accept Ralph's resignation with the understanding that all funds due him from the hospital will be held in escrow until a sum is stated or until a conviction is brought forth in connection with criminal charges pending against Ralph.

Ralph is one of three persons indicted recently by a Saline County

grand jury that had been called to hear evidence uncovered during a State Police investigation into financial discrepancies at the hospital. He was suspended during the course of that probe at the request of investigators and has since been charged with 15 counts of theft of property.

The gross amount of money that Ralph is scheduled to receive from the hospital comes to \$4,102.64, representing one month's salary and accrued vacation and holiday pay. However, after all deductions are made, the net amount is \$2,748.32.

Presenting the motion regarding Ralph's resignation was board member Jim Curtis; the motion was seconded by Robert Haynes.

The other two persons indicted during last week's grand jury pro-

ceedings were the hospital's former administrator, E.F. Black Jr., and his wife, Linda Black.

Ralph has been released on a \$18,750 bond. Bond has been set at \$25,000 for E.F. Black and \$2,000 for Linda Black; both are scheduled for arraignment at 9 a.m. Thursday in the Saline County Courthouse.

In Tuesday night's meeting, the board also approved the following motion presented by board member Raymond Thomas. That motion, which was seconded by Jim Villines, states: "From this day forth, the hospital controller will report directly to the hospital board."

The controller, Ron Morris, was instrumental in discovering financial discrepancies that ultimately led to the State Police investigation and subsequent grand jury proceedings.

Black, wife, board sued

A lawsuit filed Tuesday in Saline County circuit court seeks a judgment of \$42,988.05 from E.F. Black Jr. and his wife, Linda Black. The suit also asks for an injunction preventing members of the Saline Memorial Hospital Board from disbursing or otherwise depleting the funds escrowed by them in settlement of alleged contract rights of E.F. Black against the hospital.

E.F. Black was the former administrator of Saline Memorial Hospital and resigned that position March 5 after financial discrepancies were discovered at the facility. He has since been indicted by a county grand jury on 20 counts of theft of property; his wife, Linda, was also indicted and is charged with one count of theft of property.

The complaint states that the defendants, E.F. and Linda Black, exe-

cuted a promissory note in the original amount of \$45,000 from the bank about March 24, 1983. That loan carried an annual interest rate of 12 percent, the suit says. To secure payment of the indebtedness of that note, the Blacks executed a mortgage on property located off Lyledale Road in Saline County, the complaint states.

The Blacks have defaulted in payment of the indebtedness secured by the mortgage and the note is past due and unpaid despite demands that have been made, the suit says.

The plaintiff also asks for the recovery of abstracting costs and any expenses necessary to preserve its interest in the matter and claims it has the right to foreclose on the mortgage. The fair market value of the property involved is less than the outstanding balance and interest due the

financial institution, the complaint states.

The suit notes that the members of the hospital board have agreed to pay the defendant, E.F. Black, a sum in excess of \$23,000, in settlement of disputed contract rights. Those funds so appropriated are to be placed in escrow, pending resolution of criminal charges which been filed against E.F. Black and his wife, the suit says.

The litigation states that the bank has a valid lien against those escrowed funds and seeks an injunction against the board members restraining and enjoining them from either disbursing the escrowed fund to, or on behalf of E.F. Black, and restraining and enjoining them from applying said funds against any alleged shortages in the financial records of Saline Memorial Hospital.

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Photo by Steve McHenry

Former Saline Memorial Hospital Administrator E. F. Black, Jr., second from right, and his wife, Linda, entered not guilty pleas today in arraignment.

right is Prosecuting Attorney Bob Alsobrook and at left is Little Rock attorney Delbert Mickel, who is representing the couple.

E.F. Black, wife plead not guilty

Benton residents E.F. Black Jr. and his wife, Linda, entered not guilty pleas in arraignment proceedings today in Saline County Circuit Court.

Circuit Judge John Cole set July 19 and 20 as dates for the couple's trial.

Black, 39, is charged with 20 counts of theft of property; Linda Black, 36, is charged with one count of theft of property. Both were indicted last Thursday by a Saline County grand jury.

Prior to today's hearing, bond had been set at \$25,000 for E.F. Black and \$2,000 for Linda Black. Their attorney, Delbert Mickel of Little Rock, noted that both of the defendants are lifelong residents of Saline County and asked the judge to change the present bond arrangements to personal recognizance bonds, or to lower the amount of bond for each.

However, Cole denied that request and left bond for each as it had previously been set.

Michel also stated that E.F. Black is currently a patient at St. Vincent Infirmary on a full-time basis and had received a permit to attend today's hearing. Michel said it is not known how long Black's treatment will continue.

Cole read the charges for each of the defendants and stated that E.F. Black is charged with taking unauthorized control of property belonging to Saline Memorial Hospital, in an amount in excess of \$2,000, during the period between Jan. 1, 1983, and March 4, 1984.

Black pleaded not guilty to each of those charges.

State Police investigation into financial discrepancies at the hospital covered the period from July 1, 1983, to March 7, 1984, State Police investigator Frank Mitchell said last week.

Linda Black is charged with cashing a Saline Memorial Hospital check for \$1,850 that was made payable to someone else, the judge stated. That incident also occurred between Jan. 1, 1983, and March 1, 1984, Cole said.

July 2 was set aside as the date for a pre-trial hearing for the couple. At that time, the judge will determine if the defendants are ready to stand trial and will hear any motions from the attorneys involved in the proceedings.

Following today's hearing, the couple was escorted by their attorney to the Saline County sheriff's office, where they were processed and released on bond about 30 minutes later.

Black, the former administrator of Saline Memorial Hospital, resigned from that position March 5. Two days later, the State Police probe began.

During the course of that investigation, the hospital's purchasing director, Jim Ralph, was suspended at the request of investigators.

Ralph was also indicted during the grand jury proceedings and is charged with 15 counts of theft of property. He also entered a not guilty plea when he was arraigned last week and is presently out on \$18,750.

A trial date for Ralph has not been scheduled.

The financial discrepancies at the hospital came to light March 3 when internal fiscal controls could not validate certain items, Dr. Jim Porter, hospital board chairman, has said. The board attorney, Dan Moudy, was consulted and on March 4, the prosecuting attorney was notified that the records in question were being reviewed and would be submitted for his verification.

On March 5, in a meeting with the controller, an outside auditor and the former administrator, E.F. Black, a review was made of those records. Following that session, Black decided it was in the best interest of the hospital for him to resign, Porter said. That resignation was officially accepted later in the day at a called meeting of the hospital board.

Board to hear probe results

Saline Memorial Hospital Board will be meeting at 12 noon Friday to hear the results of a State Police investigation that has dealt with financial discrepancies at the hospital.

That probe began March 7, two days after the hospital's former administrator, E.F. Black Jr., resigned unexpectedly.

The investigation covered the period from July 1, 1983, to March 7 of this year.

Frank Mitchell and Dale Swesey were the investigators on that case.

Results of the investigation were presented to a Saline County grand jury last week by Prosecuting Attorney Bob Alsbrook. At the close of that event, indictments were handed down for E.F. Black Jr., his wife, Linda, and Jim Ralph, the hospital's former director of purchasing.

Suit filed by Union Bank

A lawsuit filed Tuesday in Saline County Circuit Court seeking a \$42,988.05 judgment against E.F. Black Jr. and his wife, Linda, and an injunction preventing members of the Board of Directors of Saline Memorial Hospital from disbursing or depleting funds placed in escrow as a contract settlement with Black, was filed by Union Bank of Benton.

A front page story in Wednesday's *Benton Courier* made no mention of the plaintiff in the suit.

E.F. Black was the former administrator of Saline Memorial Hospital and resigned March 5, two days before a State Police investigation began into financial discrepancies at the

hospital. He was later indicted on 20 counts of theft of property by a county grand jury, and his wife was indicted on one count of theft of property.

The suit alleges the Blacks have defaulted in payment of the indebtedness secured by the mortgage and the note is past due and unpaid despite demands that have been made.

The suit also notes that the members of the hospital board have agreed to pay the defendant, E.F. Black, a sum in excess of \$23,000, in settlement of disputed contract rights. Those funds so appropriated are to be placed in escrow, pending resolution

of the criminal charges which were filed against E.F. Black and his wife, the ~~it~~ says.

The litigation contends the bank has a valid claim against the escrowed funds.

~~The original amount of the mortgage~~ was \$45,000 and the suit states that a promissory note in that amount was executed by E.F. and Linda Black on or about March 24, 1983. To secure payment of the indebtedness of that note, the Blacks mortgaged property located off Lyledale Road in Saline County, the complaint states.

The suit was filed by Greg Brown, attorney for Union Bank of Benton.

Investigator says probe not yet complete

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The State Police investigation into financial discrepancies at Saline Memorial Hospital is not over and there is a possibility that other arrests will be made in conjunction with the probe, Investigator Dale Swesey announced today.

That investigation ultimately led to grand jury indictments of the hospital's former administrator, his wife and the hospital's former director of purchasing.

In a special noon session of Saline Memorial Hospital Board, Swesey said that investigation, which covered the period from July 1, 1983-March 5,

1984, the day former administrator E.F. Black Jr. submitted his resignation, will go back as "many years or to as many locations as necessary."

"Wherever the investigation leads us, that's where it will go," Swesey said.

In response to a question if other arrests might be forthcoming, Swesey said, "Possibly. I'm not saying, 'no, there will not be any more arrests.'"

In Swesey's opening comments, he noted that he would not present any written reports that would possibly jeopardize the criminal investigation.

The investigator estimated that the

investigation, at this point, is "about two-thirds of the way through."

He indicated in his comments that all alleged irregularities associated with the hospital's finances were not confined to Saline County.

Swesey noted that the hospital personnel, the hospital board, the prosecuting attorney's office and others associated with the hospital have given investigators "100 percent cooperation."

There have been no problems with reluctance to produce receipts or invoices, he added. "There have been no reins; we've had complete access"

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to whatever information was needed.

Swesey said he could not say if there might be a recall of the grand jury. "I have no control of the grand jury," he said.

Grand juries are requested by the prosecuting attorney and called by the circuit judge.

Today's meeting, which was also attended by State Police Investigator Frank Mitchell, was approximately a 15-minute session. Mitchell did not make any comments or field any questions.

Black, 39, served as administrator of Saline Memorial from 1976 until

March 5 of this year. His resignation was accepted by the hospital board in a special session that day.

Black was one of three persons indicted last week by a Saline County grand jury. Indictments were also handed down for Black's wife, Linda, 36, and for Jim Ralph, 39, the hospital's former director of purchasing.

Ralph was suspended at the request of investigators during the course of a State Police investigation into financial discrepancies at the hospital. That probe began two days after Black's resignation, which occurred after he had served one year of a

three-year contract.

Black, who is charged with 20 counts of theft of property, and his wife, who is charged with one count of theft of property, entered not guilty pleas in arraignment proceedings Thursday in Saline County Circuit Court. A trial date was set for July 19 and 20.

Ralph, who is charged with 15 counts of theft of property, had previously been arraigned. He also entered a plea of not guilty.

A trial date for Ralph has not been set.

Black received 'standard policy' funds

E.F. Black Jr., former administrator at Saline Memorial Hospital, was paid \$5,326.59 in accrued vacation pay on March 9, four days after he resigned amid rumors of financial mismanagement at the hospital, according to records at the facility.

Additionally, Black was issued a second check for \$368.36 because state income tax had inadvertently been subtracted twice, according to Ron Morris, hospital controller.

Black, who entered a not guilty plea in Saline County Circuit Court Thursday on 20 counts of theft of property, has also been awarded another \$23,027.05 plus retirement benefits in a contract settlement with the board. That money, however, has been placed in escrow pending the outcome of Black's trial, set for July 19-20.

Accrued vacation time amounted to 277.28 hours, according to an independent auditor and confirmed by

Tommy Gilbert, acting administrator.

The outside auditor employed by the hospital is Yoakum and Lovell Co.

Black's contract allowed for up to eight weeks of accrued vacation in one year.

The payment to Black was authorized by Dan Moudy, hospital attorney and approved by the hospital board. "It (vacation payment) was part of the standard personnel policy at the hospital," Moudy said.

A further review of hospital records indicate the law firm of Alsobrook and Moudy has been paid \$17,113.38 since July 1, 1983. The payments are listed as professional fees.

Alsobrook refers to Bob Alsobrook, Moudy's law partner and the prosecutor who recently conducted grand jury proceedings which resulted in indictments against Black, Black's wife, Linda, and Jim Ralph, former director of purchasing at the hospital.

Morris said today that Moudy was

not on a retainer fee, but was paid on a "fee for service basis."

Moudy said he charged the hospital \$65 per hour, but indicated his fee had been raised "a few months ago" from \$60 an hour. The rate indicates Moudy has worked for the hospital between 263 and 285 hours since July 1, 1983.

Moudy said he had participated in several litigations as a representative of the hospital. He cited the suit when two local doctors attempted to get a positive ruling on allowing registered nurses to inject epidural anesthesia. He said he was "consulted on two or three occasions" regarding a malpractice suit and added that he represented the hospital "on a couple of other small cases."

Moudy said he also was involved in "a couple of pretty large debt cases" involving attempting to collect money from insurance companies.

Alsobrook explains fees weren't split with Moudy

Bob Alsobrook, prosecuting attorney, said today he had received no money from Saline Memorial Hospital, referring to legal fees paid to his partner, Dan Moudy, attorney for the hospital.

A Friday story in the *Benton Courier* indicated that the law firm of Alsobrook and Moudy had received \$17,113.38 in professional fees from Saline Memorial Hospital since July 1, 1983.

"Dan rents from me and we split the expenses," Alsobrook said. "His fees go to him and mine go to me," he explained. "Although it is a partnership, we do not split our fees," he added.

Ron Morris, hospital con-

troller, said Moudy was paid on a "fee for service basis."

Alsobrook is currently involved in prosecuting the former administrator of Saline Memorial Hospital, E.F. Black Jr., on 20 counts of theft of property. He also is prosecuting Black's wife, Linda, on one count of the same charge, and Jim Ralph, former purchasing director at the hospital, on 15 counts of theft of property.

All three were indicted by a Saline County grand jury which Alsobrook requested.

Trial dates for Black and his wife have been set as July 19-20. No trial date has been set for Ralph.

Hart is charged with theft

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Hospital accepts resignation

A fourth person has been arrested in connection with a State Police investigation into financial irregularities at Saline Memorial Hospital.

Charged today with one count of theft of property was Carla Hart, 35, of 228 West North St., according to Chief Deputy Rick Elmendorf of Saline County Sheriff's Office.

Previously charged with theft of property charges were E.F. Black Jr., the hospital's former administrator; his wife, Linda; and Jim Ralph, the hospital's director of purchasing.

Hart's charge stems from the alleged falsification of a travel expense voucher for Saline Memorial, where she has been director of medical records. The check she received for that voucher was for \$754, Elmendorf said.

After being processed at the sheriff's office, Hart was released on a \$1,000 bond. Arraignment has tentatively been scheduled for May 7.

Tommy Gilbert, acting administrator of the hospital, said that Hart had submitted her resignation to the hospital, effective May 3. That time frame has been altered now, though, Gilbert added.

"In light of the events of today, the

hospital is moving to accept her resignation, effective immediately," Gilbert said. "Any monies in question will be held in escrow."

E.F. Black Jr. is charged with 20 counts of theft of property; Linda Black, with one count of theft of property; and Ralph with 15 counts of theft of property. All entered not guilty pleas during arraignment proceedings last week. Bond has been set at \$25,000 for E.F. Black, \$2,000 for Linda Black and \$18,750 for Ralph.

Trial dates are July 19 and 20 for E.F. and Linda Black; no trial date has been set for Ralph. Hart's trial will not be scheduled until after she has been arraigned.

The State Police investigation at the hospital began March 7, two days after Black resigned. Investigator Dale Swesey said last week that the investigation had not concluded and that additional arrests in connection with that probe were a possibility.

Saline Memorial Hospital Board will be meeting in a special session at 7 p.m. Thursday to review the hospital's personnel and administrative policies. The board also will discuss a time frame for taking applications and conducting interviews for the administrator's position.

Bank lawsuit names Black

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Benton State Bank has filed a lawsuit to foreclose a mortgage on property owned by the former Saline Memorial Hospital administrator, E.F. Black Jr., and his wife, Linda.

The litigation concerns the couple's home at Lake Norrell.

Also named as defendants are Benton Savings and Loan Association and First American National Bank.

The suit is the second within the past week to be brought against the couple by a local financial institution. Last week, Union Bank of Benton filed a similar suit regarding property the Blacks own off Lyledale Road.

Benton State Bank's suit states that on Feb. 9 of this year the Blacks executed a promissory note in the amount of \$42,769.56, bearing interest from its date at the rate of 13.5 percent per annum and payable on demand or, if no demand, then in monthly installments of \$789.74 each until paid in full.

That promissory note is secured by two realty mortgages, the suit states. Both are recorded in the Saline County Circuit Clerk's Office in the county courthouse; the first of the mortgages

was recorded Oct. 29, 1982, the suit states.

The Blacks have defaulted in the payment of the indebtedness secured by the mortgages, despite demands that have been made for payment, the suit says. The principal sum of \$42,769.56 is now due, plus accrued interest, as of April 4, 1984, of \$870.03. This interest will continue to accrue daily at the rate of \$15.81 until paid.

Benton Savings and Loan Association may be claiming some interest in the Lake Norrell property by virtue of a realty mortgage executed by the Blacks on May 22, 1981, and filed May 26, 1981, in the circuit clerk's office, the suit says.

The plaintiff says that First American National Bank may also claim some interest in the property because the plaintiff has reason to believe that the Blacks also executed and delivered a realty mortgage to that institution.

Ted Boswell of Bryant is representing Benton State Bank in the lawsuit.

Union Bank's suit asks for a judgment of \$2,983.05 from the Blacks and

also seeks an injunction preventing members of Saline Memorial Hospital board from disbursing or depleting funds placed in escrow as a contract settlement with Black.

Greg Brown is the attorney for Union Bank.

Black resigned his position as hospital administrator March 5 after serving one year of a three-year contract. Two days later, a State Police investigation into financial discrepancies at the hospital began.

Information uncovered in that probe led to the calling of a county grand jury that handed down indictments for E.F. Black, Linda Black and Jim Ralph, the hospital's former director of purchasing.

The three were charged with theft of property. E.F. Black is charged with 20 counts, Ralph with 15 counts and Linda Black with one count. All have entered not guilty pleas in Saline County Circuit Court.

A fourth person was arrested this week in connection with that State Police investigation. Carla Hart, the hospital's former director of medical

records, was arrested Tuesday and is charged with one count of theft of property involving the alleged falsification of a \$754 travel expense voucher for the hospital.

E.F. and Linda Black's trials have been scheduled for July 19 and 20. No date has been set for Ralph's trial. Hart is scheduled to enter a plea at arraignment proceedings May 7; a date for her trial is likely to be set at that time.

Bond is set at \$25,000 for E.F. Black; \$18,750 for Ralph; \$2,000 for Linda Black; and \$1,000 for Hart. All were released after being processed at the Saline County Detention Facility. The hospital board, which has met often since the hospital's financial irregularities were discovered, will be meeting again tonight.

That session, which will begin at 7 p.m., will concern a review of the hospital's personnel and administrative policies. The board also plans to discuss a time frame for taking applications for a new administrator and for conducting interviews with applicants for the job.

Search to begin for administrator

Saline Memorial Hospital Board, meeting Thursday night in a special session, formally approved the resignation of Carla Hart, who has been the hospital's director of medical records, and officially began the search for a new administrator at the local medical facility.

Hart was arrested Tuesday on a theft of property charge that allegedly involves the falsification of a \$754 travel expense voucher. She is tentatively scheduled for arraignment on May 7.

When Hart submitted her resignation to hospital, May 3 had originally been its effective date. However, that time frame was altered following her arrest.

Dr. Jim Porter, board chairman, told the board of the need to announce in major publications that the hospital has an opening for an administrator. The hospital's former administrator, E.F. Black Jr., resigned March 5 and has since been charged with 20 counts of theft of property. He was one of three persons indicted by

a Saline County grand jury that had been called to hear evidence uncovered during a State Police investigation of financial discrepancies at the hospital. The other indictments were for Black's wife, Linda, and Jim

Ralph, the hospital's former director of purchasing.

The board unanimously voted to authorize the acting administrator, Tommy Gilbert, to prepare the advertising notices regarding the administrator's job. The deadline for submitting these would determine the time frame for taking applications and scheduling interviews with potential applicants, Porter noted, but it was agreed that this could be done by June 1.

In an unrelated matter, the board unanimously voted to purchase two ambulances from Summers Ambulance and Coach Sales, a firm located

in Duncanville, Texas, for a total cost of \$52,330. Those ambulances, which will be used in a new ambulance service the hospital is implementing, are expected to be delivered to the hospital within a few days.

The board also agreed to purchase ambulance radio equipment at a cost of \$1,1908 from Motorola Communications and Electronics Inc. of Little Rock.

Both of these items had been discussed at prior meetings.

In addition, the board approved the purchase of replacement diagnostic equipment for the emergency room at a cost of \$8,300.

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