

# Hospital board drops motion to name Hardin attorney

By LYNDIA HOLLENBECK  
Courier Staff Writer

Saline Memorial Hospital Board of Directors — which has been operating without a designated legal counsel since the resignation in early August of its former attorney, Dan Moudy — had been expected to choose a new attorney Tuesday night, but instead will continue to operate for a time without a specific person to provide legal advice.

In spite of recommendations by the hospital's new administrator, Lonnie Busby, and Steve Mason, vice president of operations for Hospital Management Professionals Inc. (the firm hired to manage the hospital's day-to-day activities) and a subsequent motion by Dr. Jim Porter to accept an offer of free legal service from Prosecuting Attorney-elect Joe Hardin, the board could not agree on the matter.

Porter's motion did not receive a second, prompting board member J.B. Tittle to comment, "I'd let it die for lack of a second. I don't know if I'm ready to select an attorney at this time."

When the topic of the hospital attorney came up for discussion, Busby told the board he had conferred with Hardin and was confident that Hardin would be able to serve the hospital's legal needs, except perhaps in a few incidents where someone with expertise in a particular medical field might be needed. In such an instance, an arrangement could be made for

contacting an attorney who specialized in that particular area, Busby said.

Mason noted that he had had a "very good discussion" with Hardin and understood that Hardin fully intended to follow through with the promise he made during his successful campaign for prosecuting attorney.

Before Porter introduced his motion, board member Robert Haynes indicated he would not favor using Hardin as the hospital's attorney. (Hardin has served as special prosecutor for a grand jury investigation that was called to look into allegations of financial wrongdoing at Saline Memorial Hospital.)

"I kinda feel this way," he said. "Him and the grand jury asked us to resign and I don't care to have his advice. He might give us the wrong kind. He just might set us a trap."

After the meeting had concluded, Haynes told a reporter he wished he had not made that statement.

Since no decision was reached regarding the use of a specific person to provide the hospital with legal advice, the board agreed to continue an arrangement that authorizes the administration to obtain legal counsel from the attorneys it believes to have the capability of representing the hospital until the board can decide on an attorney. At its August meeting, the board empowered the administration with the authority to operate in this manner.

The normally seven-member board presently consists of only five members since two former members, Jim Villines and Raymond Thomas, have resigned. However, only four members were present for Tuesday night's session. In addition to Porter, Tittle and Haynes, Jim Curtis was in attendance; Mary Frances Izard, the chairman, did not attend.

Busby presented the board with a list of 10 items included in "short-term management objectives" he plans to put into operation. The list includes: organizational structure; policy manuals that he believes need some revision; improvements in budget performance accountability; working to maintain the hospital's accreditation with the Joint Commission

on Accreditation of Hospitals, which will conduct a survey at Saline Memorial in early 1985; learning to live within the hospital's capital equipment budget; instituting a first-year management plan; refining methods of data collecting and reporting; implementing board education that will include orientation for new members and educational presentations at board meetings; personnel development; and conducting interviews with employees, board members, members of the medical staff and persons in the community.

In other matters, the board:

— Heard architect Larry Black present an update on the hospital's radio-

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## Hospital board

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logy project, which he says is "essentially complete."

The current work is involved with the renovation of the old radiology area and Black estimated it would take four-six weeks to complete this phase of the project.

- Approved \$8,721 for a storage area and lounge in the hospital's coronary care unit.

- Approved \$635 for ceiling repairs in the old radiology area.

- Authorized the administration to purchase repair parts for 10 items found to be defective in X-ray equipment and gave administration the authority to advertise for disposal of outdated equipment.

- Opened bids on nursery equipment requested by Dr. Steven Thompson, a new pediatrician on the hospital's medical staff.

Approved for purchase were an islette from Standard Oxygen Service for \$12,681; an air pressure monitor from Northwest Oxygen Inc. for \$6,357; an infant ventilator from Mid-South Oxygen Co. for \$4,049; and a pulse oximeter from Nellcor Inc. for \$5,800.

- Granted administration the authority to proceed in a settlement with the insurance carrier for the

driver of a vehicle that damaged a Saline Memorial ambulance.

- Approved a recommendation from the medical staff to grant non-resident staff privileges to Dr. Fred Berry, a thoracic surgeon.

- Heard an HMP report from Mason, in which he noted that a patient-care-evaluation program will be implemented at Saline Memorial.

Copies of forms that will be given to patients were distributed at the meeting.

- Authorized the administration to solicit bids for the hospital's environmental services, laundry service, waste service and insurance coverage.

- Heard controller Ron Morris report that August had been an "excellent month," even though patient census had been down 20 percent from the same period a year previously.

That decrease in the number of patients is in keeping with a national trend, Morris told the board. He also noted that expenses had been significantly below the amount that had been budgeted, enabling the hospital to show a monthly profit of \$142,835, which was \$88,000 above budget expectations. Net income for the first two months of the current fiscal year comes to \$199,468, he said.

# Board must resign 926

It has become all too apparent that the board of directors of Saline Memorial Hospital must resign if the hospital is to move forward under the direction of new administrator Lonnie Busby and Hospital Management Professionals, Inc.

The grand jury report issued Tuesday indicates that the board, through lack of action, allowed too many things to occur over too long a period of time to have the total support of the majority of Saline Countians.

It is evident the board placed unfounded trust in the former hospital administrator, E.F. Black Jr., who handed out raises to his friends in proportions not afforded top-level executives in major companies.

The two associate administrators, Thomas Gilbert and Melvin King, received raises totalling over \$23,000 each in a 30-month period. Jim Ralph, the former purchasing director, went from making just over \$12,000 a year to making \$29,390.40 just 12 months and 16 days later.

Those three, along with Black, have been indicted by the grand jury.

Carla Hart, the former director of medical records, started at more than \$21,000 per year in March of 1983 and nine months later was making almost \$30,000. Hart, although charged earlier with theft of property involving an alleged falsified travel voucher, was granted immunity from prosecution in exchange for her testimony.

Additionally, falsified overtime pay amounting to thousands of dollars was paid out by the hospital.

All of those items got the board's stamp of approval, not because the board would intentionally have allowed such things.

The members of that body obviously didn't look into hospital matters closely enough.

The board, according to the grand jury report, gave Black a blank check regarding payment of professional fees. In 1977, Ed Briner served as hospital attorney and charged the hospital \$871 for the year. In fiscal 1982-83 the board ultimately approved expenditures of over \$16,000 for attorney fees and those fees for fiscal 1983-84 were \$18,764.38.

Those are just a few of the items the board should have caught.

Everyone agrees the hospital is one of the best facilities for its size anywhere. Saline County is fortunate to have such a facility and top-notch medical and nursing staffs to see that patients get the best of care. Nobody has ever questioned that aspect of the hospital operation.

Everyone also agrees that a new start — a clean slate — is needed now that the grand jury probe has been completed. Busby, although on the job as administrator only for a brief time, has shown himself to be a capable and knowledgeable administrator.

So that Busby doesn't have to deal with problems of the past and Saline Memorial Hospital can move forward, a new board must be appointed. Already, past problems are affecting board decisions.

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Robert Haynes, whose board term expired a few months ago, but who is continuing to serve on the board because no replacement has been named, said at Tuesday night's meeting that he couldn't support Joe Hardin as hospital attorney because the grand jury asked the board to resign. Hardin is special prosecutor and headed the hospital investigation.

Dr. Jim Porter's motion to name Hardin as hospital attorney failed for lack of a second to the motion.

It is the fiscal responsibility of the board to name Hardin as permanent attorney for the hospital, since he agreed to serve in that capacity at no charge to the county. Hardin made the promise during his successful campaign for prosecuting attorney.

Hardin's immediate appointment could possibly create a conflict of interest since trials still must occur regarding indictments handed down as a result of the hospital probe, but the board could have named an interim attorney to serve until those trials are completed.

The board is guilty only of placing too much trust in the former administrator and not looking into hospital expenditures in depth during times past. The board members have always had the best interests of Saline County at heart or they would never have accepted the responsibility that goes with serving on such a board of directors.

If those remaining board members have the best interests of Saline County and Saline Memorial Hospital at heart, they would be willing to relinquish their duties immediately in favor of new appointees.

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## Black files relief claim; hearing is due in October

An official of the state Workers' Compensation Commission has confirmed that the former administrator of Saline Memorial Hospital is seeking relief from that office on the basis of "mental stress."

E.F. Black Jr., who resigned as administrator March 5 when he was confronted with allegations of financial wrongdoing, filed that claim April 16. A hearing is expected to be held in October, according to information received from the commission.

Previous hearing dates were tentatively scheduled but were cancelled due to conflicts between Black's attorney, Delbert Mickel of Little Rock, and the commission's legal counsel, Diane Graham, a spokesman for the commission said.

Black has not worked since resigning as administrator of Saline Memorial, Mickel said. At the time of his resignation, there were two years re-

maining in his three-year contract. Members of the hospital's board of directors granted him a \$23,027.05 settlement for terminating his contract, but those funds were placed into an escrow account that Black cannot have access to as long as he faces criminal charges. The only money he has received from the hospital includes \$5,326.59 for unused vacation time.

Black was indicted Sept. 14 by a Saline County grand jury on 48 charges, including felony and misdemeanor theft of property, criminal attempt, public servant bribery and conspiracy to commit public servant bribery.

He is scheduled for arraignment at 9 a.m. Monday in Saline County Circuit Court.

Mickel declined to say what plea Black would enter to the charges but commented, "I can assure you it won't be guilty. There are other options and I'm not exactly sure right now what his plea will be."



# 7 enter pleas of not guilty; two trials set

By LYNDIA HOLLENBECK  
Courier Staff Writer

The seven persons who were indicted Aug. 14 by a Saline County grand jury that was called to investigate allegations of financial wrongdoing at Saline Memorial Hospital today entered not guilty pleas in Circuit Court.

Those pleas came from: E.F. Black Jr., the former administrator of Saline Memorial; Linda Black, his wife; Jim Ralph, the former director of purchasing at the facility; Thomas Gilbert, a former associate administrator who became acting administrator of Saline Memorial when Black was forced to resign; Melvin King, the other associate administrator; Craig Cook, a former employee in the hospital's purchasing department; and Kenneth Baxley, a former member of the hospital's board of directors.

The court actually entered Gilbert's plea for him since his attorney, Wayne Lee of North Little Rock, said he objects to the validity of the indictments filed against Gilbert and did not want to enter a plea. Lee contends that the indictments do not state "a cause of action" and said he had "serious questions as to how the grand jury was constituted."

E.F. Black, Linda Black and Jim Ralph had also been indicted by another grand jury last March and were asked to enter pleas to those charges when they appeared today before Circuit Judge John Cole of Sheridan. In each case, the plea was not guilty.

Special Prosecutor Joe Hardin said he expects some of those charges to eventually be dropped "in instances involving duplication."

Cole set the dates for trials for two of the seven persons charged in the investigation. Linda Black's trial will be held Nov. 20 and E.F. Black's trial is scheduled to begin Dec. 4.

The judge said all motions pertaining to the charges must be filed by Oct. 15 and he set Nov. 5 as the date for an "omnibus hearing" to hear those motions in court.

Another person charged during the lengthy probe was Carla Hart, the former director of medical records for Saline Memorial. Hart has been granted immunity from prosecution in exchange for her testimony, but the charge against her will stand until all of criminal proceedings stemming from the investigation have been resolved, Hardin said.

Hart is charged with falsifying a travel voucher for the hospital.

The charges against the seven persons indicted by the grand jury are:

— E.F. Black: two counts of public servant bribery; two counts of criminal attempt; one count of conspiracy to commit public servant bribery; and 43 counts of theft of property. (Most of the theft charges are felonies, but misdemeanors are also included in the total.)

In addition, Black is charged with 20 counts of theft of property in indictments returned by the grand jury in March.

— Thomas Gilbert: Three counts of theft of property; one count of criminal attempt; and one count of conspiracy to commit public servant bribery.

— James Ralph: 44 counts of theft of property (10 are felonies, 34 are misdemeanors); and one count of conspiracy to commit public servant bribery.

Ralph also faces 15 counts of theft of property handed down in indictments by the first grand jury.

— Linda Black: one felony count of theft of property and one count of forgery.

She is also charged with one count of theft of property in an indictment handed down by the first grand jury.

— Melvin King: Two counts of theft of property in connection with the alleged falsification of overtime payroll.

Before the grand jury handed down indictments on Aug. 14, King had been charged in a separate information with theft of property in excess of \$5,500.

— Craig Cook: One count of misdemeanor theft of property.

Cook is also charged with perjury in connection with alleged false testimony he presented to the grand jury in July.

— Kenneth Baxley: Violation of a state statute that prohibits a board member from profiting from a contract with that board.

Baxley appeared in court today without an attorney and was advised to engage legal counsel in order to comply with the schedule the judge set for the filing of motions in connection with the various cases.

Attorneys for the other persons charged are: Delbert Mickel, who represents E.F. and Linda Black; Joe Purcell, who represents King; Pete Lancaster and Curtis Rickard, attorneys for Ralph; Gary Arnold, attorney for Cook; and Lee, who represents Gilbert.

Benton Courier 10-1-84



# Information sought in pair of motions

Motions for disclosure of information have been filed by attorneys of two persons who were indicted by the Saline County grand jury that conducted an investigation into financial wrongdoing at Saline Memorial Hospital.

Those motions were filed by the Schieffler Law Firm of West Helena and Benton attorney Joe Purcell, who represent one of the hospital's former associate administrators, Melvin King; and by Gary Arnold, legal counsel for Craig Cook, who formerly worked in the hospital's purchasing department.

The indictment returned by the grand jury on Aug. 14 charges King with two felony counts of theft of property in connection with the alleged falsification of overtime records at the hospital. Earlier during the grand jury's investigation, he was charged with theft of property in excess of \$5,500 and the charge stated that the alleged theft was accomplished by means of deception.

The indictment charges Cook with misdemeanor theft of property. He also faces a perjury charge filed previously in connection with testimony he presented to the grand jury.

The discovery motions filed ask for disclosure of the following information:

- Names and addresses of persons whom the prosecuting attorney intends to call as witnesses at any hearing or trial.
- Any written or recorded statements and the substance of any oral statements made by King or Cook.
- Any reports or statements of experts, made in connection with the case, including the results of physical or mental examinations, scientific tests, experiments or comparisons; any books, papers, documents, photographs or tangible objects which the prosecuting attorney intends to use in any hearing or trial.
- Those portions of grand jury minutes containing testimony of each defendant and the substance of any relevant grand jury testimony.

## Rental records under subpoena

Subpoenas have been issued to three car rental companies for all contracts and records issued to E.F. Black Jr., Steve Black, Robert Black and Saline Memorial Hospital for the period of April 1, 1983, through March 31, 1984.

Those subpoenas were issued at the direction of Special Prosecutor Joe Hardin and Special Deputy Prosecutor Dan Harmon, who are conducting an investigation into financial wrongdoing at Saline Memorial Hospital.

The companies for whom records are sought are Budget Rent-A Car, Avis Rent-A-Car and National Car Rental. All are located in Little Rock.

Hardin said today that the information requested in the subpoenas concerns "two or three new directions the investigation has taken."

He said he was "not sure how it will develop" but noted that the investigation is continuing with assistance from the State Police in "new development areas."

- Any record of or information of prior criminal convictions of persons whom the prosecuting attorney intends to call as witnesses at any hearing or trial.
- Whether, in connection with the particular case, there has been any electronic surveillance of King's or Cook's premises or of any conversations.
- The relationship to the prosecuting authorities or persons whom the prosecuting attorney intends to call as witnesses.
- Any material regarding any specific searches and seiz-



# Gilbert's attorney files motion for dismissal

Benton Courin  
10-10-84

A motion has been filed in Saline County Circuit Court requesting dismissal of the indictment against Thomas Gilbert, the former Saline Memorial Hospital associate administrator who was charged by a Saline County grand jury with criminal attempt of theft of property, conspiracy to commit public servant bribery, and three counts of theft of property.

Those charges followed an intense investigation that began in early March after financial discrepancies were discovered at the county medical facility. At that time, the former administrator, E.F. Black Jr., resigned and Gilbert eventually became acting administrator until the end of June when he left his employment at the facility.

Gilbert's attorney, Wayne Lee of North Little Rock, also filed four other motions. One asks that the indictment against Gilbert be set aside; another asks that Gilbert be granted a separate trial from those of the six co-defendants indicted by the grand jury; another requests the disclosure of identity of any witness receiving immunity or any other form of leniency; and

the final one requests the disclosure of information pertinent to the indictment.

The motion requesting dismissal contends that the indictment does not set forth the particular circumstances necessary for constituting a complete offense; that the criminal attempt of theft of property charge does not state a cause of action against Gilbert by failing to specify the illegal conduct he allegedly committed; that the theft of property charges do not state the cause of action against Gilbert; and that the conspiracy to commit public servant bribery fails to state a cause of action in that no overt acts on Gilbert's part are alleged in the charge.

The motion to set aside the indictment alleges that the defendant believes there were persons other than grand jurors present when the indictment was acted upon, which would be in violation of a state statute.

The motion notes that the indictment lists Dan Harmon, who served as special deputy prosecutor for the investigation, and Patricia A. Cherry of the attorney general's office as witnesses for the proceeding. How-

ever, Gilbert believes that they were not actually present, the motion states.

Errors in the summation and/or formation of the grand jury are also charged in the complaint. A full transcript of the grand jury proceedings is requested in the motion.

The motion seeking disclosure of witnesses receiving immunity states that immunity or other forms of leniency are believed to have been granted to one or more of the witnesses in the case in order to secure information and/or testimony at future trials.

The motion for severance notes that the indictments include six other defendants and that one, E.F. Black Jr., has numerous charges pending against him. To try all of these persons together would be prejudicial to Gilbert's rights, the motion states.

The discovery motion seeks the following information:

— Names, addresses, telephone numbers and places of employment for all witnesses to be called at Gilbert's trial and the nature and source of infor-

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ures; any statements, oral or ~~written from defendants, any~~ other material, tangible or intangible, or information within the prosecuting attorney's knowledge, possession or control, or which he might obtain in the future, which tends to negate the guilt of either defendant as to the offense charged or that would tend to reduce the punishment.

King's motion requests "that the prosecuting attorney use diligent, good-faith efforts to obtain any material or information in possession or knowledge of other governmental personnel which would be discoverable if in possession or control of the prosecuting attorney."

No trial dates have been set for King or Cook, but both are scheduled to appear at a Nov. 5 "omnibus hearing" in Saline County Circuit Court.

Others indicted by the grand jury, who will also appear in court that day, are: E.F. Black Jr., the former administrator of Saline Memorial; Black's wife, Linda; Jim Ralph, the hospital's former director of purchasing; Thomas Gilbert, the hospital's former associate administrator who became acting administrator after Black resigned; and Kenneth Baxley, a former member of the hospital's board of directors.

Nov. 20 was set as the date for Linda Black's trial and E.F. Black's trial is scheduled to begin Dec. 4. Trial dates for the others who have been charged have not been set.



# Prosecutors preparing responses to motions

By LEE POWELL  
Courier Staff Writer

Special Prosecutor Joe Hardin said today that he and Special Deputy Prosecutor Dan Harmon are preparing responses to motions filed by attorneys of three of the persons who were indicted by the Saline County grand jury that investigated financial discrepancies at Saline Memorial Hospital.

Hardin said it would "probably be a while" before the prosecutors finish their responses, because "we're still gathering information." Oct. 15 is the last day for filing motions in Saline County Circuit Court regarding the grand jury's indictments, he said.

The special prosecutor could not comment on the details of the responses to the motions; but he noted that "Most are standard motions that we expected. There's a lot of activity on this but none of it's disclosable" at this time, he observed.

Hardin said he expects motions to be filed by Delbert Mickel, attorney for former hospital administrator E.F. Black Jr., and his wife, Linda. On Aug. 14, Black was charged by the grand jury with three Class B felony counts of theft of property; 37 counts of Class C felony

~~theft of property; three counts of Class A misdemeanor theft of property; two counts of criminal attempt; two counts of public servant bribery; and one count of conspiracy to commit public servant bribery. Earlier he had been charged with 20 counts of theft of property.~~

Linda Black was charged by the grand jury on Aug. 14 with one count of Class C felony theft of property and one count of Class C felony forgery; earlier she had been charged with one count of theft of property.

Hardin said that thus far, motions have been filed by Wayne Lee, attorney for Thomas Gilbert, the hospital's former associate administrator; by the Schieffler Law Firm of West Helena and Benton attorney Joe Purcell, who represent another former hospital associate administrator, Melvin King; and by Gary Arnold, legal counsel for Craig Cook, who formerly worked in the hospital's purchasing department.

One of Lee's motions requested a dismissal of the indictment against Gilbert, who was charged by the grand jury with criminal attempt of theft of property, conspiracy to commit public servant bribery, and three counts of theft of property.

The other four motions filed by Gilbert's attorney asked that the indictment against Gilbert be set aside; another requested that Gilbert be granted a separate trial from those of the six co-defendants indicted by the grand jury; another asked for disclosure of the identity of any witnesses receiving immunity or any other form of leniency; and the final one requested the disclosure of information pertinent to the indictment.

Motions for disclosure of information were filed by attorneys for King, who on Aug. 14 was charged by the grand jury with two felony counts of theft of property in connection with the alleged falsification of overtime records at the hospital; earlier in the grand jury's investigation he was charged with theft of property in excess of \$5,500 and the charge stated that the alleged theft was accomplished by means of deception.

Cook's attorney also filed for disclosure of information. Cook was charged with misdemeanor theft of property, and a perjury charge in connection with testimony he presented to the grand jury.

The only trial dates scheduled are for Linda Black on Nov. 20 and E.F. Black Jr. on Dec. 4.

*Benton Courier*  
10-11-89



# Hospital case motions filed

Attorneys for two persons indicted by the Saline County grand jury that conducted an extensive investigation into allegations of financial wrongdoing at Saline Memorial Hospital filed motions on the last day set for that purpose in Saline County circuit court.

Those motions concern Kenneth Baxley, a former member of the hospital's board of directors, and Craig Cook, who formerly worked in the hospital's purchasing department.

Baxley is charged with violating a state statute which prohibits a board member from profiting from a contract with a board; and Cook is charged with misdemeanor theft of property and perjury.

Motions filed by Baxley's at-

torney, J. Larry Allen of Sheridan, seek disclosure of information Allen contends is pertinent to Baxley's defense; a request for Baxley to be tried separately from the six other defendants; and a plea to set aside Baxley's indictment.

Gary Arnold, who is serving as Cook's legal counsel, filed a motion requesting a separate trial for his client.

Both severance motions state that one trial for all defendants would be prejudicial to their clients.

In the motion requesting that Baxley's indictment be set aside, the contention is made that persons other than grand jurors may have been present when the indictment against Baxley was acted upon, which

would violate a state statute.

The motion contains other allegations of improper summation and formation of the grand jury.

The discovery motion filed by Baxley's lawyer requests:

- Names and addresses of witnesses who will testify at a hearing or trial.

- Written or recorded statements and the substance of any oral statements made by Baxley.

- Portions of grand jury minutes containing testimony by Baxley.

- Reports of experts made in connection with the case, including results of physical or mental examinations or scientific tests.

- Documents, photographs or any tangible objects belonging

to Baxley or obtained from him that the prosecuting attorney intends to use in a hearing or trial.

- Records of prior criminal convictions of persons to be called as witnesses.

- Whether there has been any electronic surveillance of Baxley's premises or of his conversations.

- The relationship to the prosecuting attorney of any persons to be called as witnesses.

- Disclosure of any material or information that would tend to negate the guilt of Baxley or which would tend to reduce his punishment.

- Any additional information that may develop in the future that would pertain to Baxley's case.



# Change of venue sought in E.F. Black trial

Benton Courier  
10-19-84

A motion requesting a change of venue for the trial of the former administrator of Saline Memorial Hospital was filed today in Saline County circuit court.

Delbert Mickel, attorney for E.F. Black Jr., filed that motion in connection with felony and misdemeanor theft of property charges, criminal attempt charges, public servant bribery charges and a conspiracy to commit public servant bribery charge that resulted from an intensive grand jury investigation into financial discrepancies at the county medical facility.

The motion asks that Black's trial be moved to Grant County or to a location outside this judicial district.

The motion charges that extensive, in-depth pre-trial publicity in the local newspaper and local radio stations over the past seven-month period would be prejudicial to Black's case. It states that the "case has been the talk of Saline County continuously for approximately seven months" and notes that Black's picture has appeared on the front page of the local newspaper on numerous occasions in connection with headlines regarding the case.

It also states that the newspaper has "reported in depth the names of all persons called as witnesses before the grand jury, printed comments of the special prosecutor and special deputy prosecutor during the course of the investigation by

the grand jury, printed information about subpoenas issued and articles requested in those subpoenas."

The motion states that a Little Rock television station broadcast a news story regarding the "soaring sales of newspapers in Saline County which contained articles regarding the investigation of Saline Memorial Hospital and showed pictures of empty coin-operated newspaper vending machines bearing the name *The Benton Courier*."

Since the defendant was initially charged in the case and during the course of the probe, the case has been "used by the special prosecutor, Joe Kelly Hardin, and the special deputy prosecutor, Dan Harmon, in Saline County and throughout this judicial district as campaign issues in an effort to get votes to be elected prosecuting attorney for this judicial district," the motion charges.

It also states that the "minds of the inhabitants of Saline County...are so prejudiced on a county-wide basis that defendant cannot and will not receive a fair and impartial trial as guaranteed by the Constitution of the United States of America, and that such a fair and impartial trial cannot be held in Saline County and possibly within this judicial district."

Attached to the motion are the affidavits of what it describes as "three credible persons who are qualified electors

and actual residents of this county and who are not related to defendant in any way."

Those affidavits were signed by George Leon Cornett of 1601 Lynnwood; Ernest J. Ward of 1700 Alcoa Road; and Robert K. Herzfeld Sr. of 614 Sewanee St.

Herzfeld notarized the documents signed by Cornett and Ward and Herzfeld's affidavit was notarized by Doyle Webb, a Benton attorney.

In each affidavit, the person states that he believes E.F. Black Jr. could not receive a fair and impartial trial in Saline County "because the minds of the persons living in Saline County are so prejudiced against him due to the county and its funds being involved, the

fact that this case has been so highly publicized and talked about all over the county."

Each affidavit continues by stating that "a substantial number of persons, county-wide in Saline County have formed an opinion as to the involvement of this defendant in the alleged Saline Memorial Hospital matter, and that this case has been the

talk of Saline County continuously since March 1984. I do not see how defendant can get a fair trial in Saline County."

Judge John Cole, circuit judge, was unavailable for comment today. Rulings on all motions filed in the case are expected Nov. 5, the date Cole set



# Immunity granted to Gilbert, King

By DENNIS BYRD  
Courier Managing Editor

Tommy Gilbert and Melvin King, the two former associate administrators charged in connection with alleged wrongdoing at Saline Memorial Hospital, have been granted immunity from prosecution in exchange for their testimony and both have agreed to pay \$8,000 each into the county general fund, according to Joe Hardin, special prosecutor.

Hardin said today he and Dan Harmon, special deputy prosecutor, have met with Gilbert and King "five or six times, at least" recently and said the two have gone through hospital records and "provided information we didn't have" before Gilbert and King agreed to cooperate with authorities.

According to terms of the agreement, Hardin said, in addition to paying \$8,000 each to the county, the two former hospital employees will be required to "cooperate fully with further investigations into the matter

with all agencies involved" and will be "required to testify at any trial of any further persons prosecuted in connection with the investigation."

Gilbert and King will both be required to submit to lie detector tests to determine that the information they are providing the authorities is accurate and that they are providing all the information they may know in connection with the case, according to Hardin.

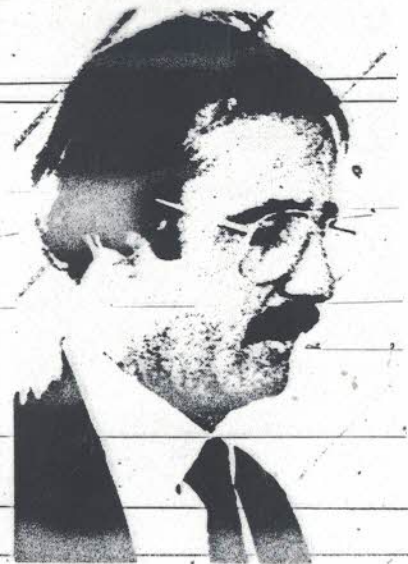
"They have cooperated fully thus far," Hardin said.

Gilbert and King were indicted by a Saline County grand jury that met for almost three months and returned 85 indictments against Gilbert, King and five others, the bulk of those against E.F. Black Jr., the former administrator at Saline Memorial, who has been the central character in the investigation.

Gilbert was indicted on five counts, three of those being Class C felony counts of theft of property, one being criminal attempt and the last being con-



Tommy Gilbert



Melvin King

spiracy to commit public servant bribery.

King was charged with two counts of theft of property, both Class B felonies.

Hardin said King has already made his \$8,000 payment to the county and said Gilbert's pay-

ment is expected soon.

A third person, Carla Hart, has also been granted immunity from prosecution by the special prosecutor. Hart had been charged earlier with theft of property involving falsification of a hospital travel voucher. She



was formerly director of medical records at the hospital.

~~Hardin said Gilbert and King would testify against those persons already charged and also against anyone charged later in connection with the hospital case.~~

Other than Gilbert and King, those indicted by the grand jury and charges against them include:

~~— E.F. Black Jr.: Theft of property, Class B felony (three counts); Class C felony (37 counts); Class A misdemeanor (three counts); criminal attempt (two counts); public servant bribery (two counts); conspiracy to commit public servant bribery (one count).~~

~~— James Ralph: Theft of property, Class B felony (one count); Class C felony (nine counts); Class A misdemeanor (34 counts); conspiracy to commit public servant bribery (one count). Ralph is the hospital's former director of purchasing.~~

~~— Linda Black: Theft of property, Class C felony (one count); forgery, Class C felony~~

(one count). She is the wife of the former administrator.

~~— Kenneth Baxley: Violation of Arkansas Statute 17-4106, prohibiting board member from profiting from contract with board, unclassified felony (one count). He is a former member of the hospital's board of directors.~~

~~— Craig Cook: Theft of property, Class A misdemeanor (one count). He formerly worked in the hospital's purchasing department.~~

A pre-trial hearing for all defendants in the case has been set for Nov. 5 by Circuit Judge John Cole. All motions, including one for a change of venue filed by E.F. Black's attorney, Delbert Mickel, will be ruled on at that hearing. Mickel has requested that a trial for E.F. Black be moved to Grant County or out of the judicial district.

A trial date of Nov. 20 has been set for Linda Black and Dec. 4 has been set as trial date for E.F. Black. No other dates for trials in connection with the case have been scheduled.



# Discrepancies are pointed out in hospital's bids, payments

By LYNDA HOLLENBECK  
Courier Staff Writer

Discrepancies between amounts of contract bids approved by the board and actual payments made to contractors, amounting to thousands of dollars, were pointed out in an annual audit of Saline Memorial Hospital, presented at the regular board meeting Tuesday night.

Stating that Saline Memorial Hospital is "financially sound," Dan Yoakum and Scott Lovell of Yoakum, Lovell and Co., the local firm that annually conducts an audit of Saline Memorial Hospital, noted several areas of concern in the audit report, including the discrepancies.

The two certified public accountants presented a review of their findings and made several recommendations in areas where they believe more effective internal control could be achieved.

Yoakum cautioned the board to guard against complacency and stressed the need "more than ever to be cost-conscious."

The accountants' recommendations related to cash, accounts receivable, inventories, equipment, payroll, contracts and disbursements. Administrator Lonnie Busby said steps had already been taken to begin correcting some of the problem areas pointed out by the auditors.

Yoakum and Lovell made the following observations and recommendations regarding the following areas:

— Equipment — The accountants noted that there were instances in which the board has awarded specific bidden items but the final amount paid did not agree with the amount approved in minutes of those meetings.

Examples included a telephone bid that had been awarded for \$132,460.22, but the signed contract amount and payment was \$138,186.29, a variance of \$5,726.07; and a radiology equipment and installation award that had been approved for \$79,021, but showing a signed contract and payment for \$88,387, a variance of \$9,346. Other instances of less than \$100 variances were also found.

The firm recommended that the administration not pay or sign contracts that might differ from board-approved amounts without board approval.

Busby noted that a procedure for analysis of payments on all bidden items has been installed and the board is to be notified of any differences, other than freight charges.

— Cash — The accountants pointed out that the hospital has had funds deposited with four banking institutions in amounts that exceeded FDIC or FSLC insurance limits of \$100,000. They recommended that additional security be obtained and noted

that one facility has already provided additional security.

Busby said additional security will be sought from institutions or the funds will be dispersed at other institution with \$100,000 limits per institution.

They also pointed out that because of recent turnover in the hospital's administration the controller now has a certain check-signing and investment authority and recommended that this practice be discontinued as soon as possible.

Busby noted that a new plate has been ordered bearing his signature to replace the signature of the controller. The investment authority the controller presently has will be given to a new assistant administrator when one is hired, he said.

The accountants observed that there have been no procedures for the collection, recording, safeguarding and sale of X-ray silver and recommended that detailed procedures be initiated for the control of the silver.

Busby reported that detailed silver recovery procedures have been installed.

It was also noted that the dietary department had held receipts for five-day periods and the accountants recommended that all receipts throughout the hospital be sent to the cashier and deposited the subsequent day.

Busby said the dietary department had been reprimanded

and instructed to follow the hospital policy for daily receipt deposits.

— Accounts receivable — The accountants recommended improvement in collection procedures, noting that the hospital's bad debt expenses at June 30, 1984, represented 1.8 percent of the facility's gross patient revenues.

Busby said that all write-off and discount policies would be reviewed.

— Inventories — The accountants recommended that inventory control be given a priority status and that the hospital's inventory system be integrated with the general ledger in order that monthly financial statements could be more accurately presented.

Busby noted that a task force has been established to study and recommend corrections for inventory control procedures.

— Payroll — They recommended that all employees, with the exception of department heads, be required to use time cards. They noted that salaried employees have accumulated and used compensatory time on an "honor system" and that there are no time records to verify hours worked or "comp" time used or accumulated.

Also noted was that upon termination, certain employees were paid for compensatory time while others were not. The accountants recommended that

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# Auditors note discrepancies at hospital

Continued from page 1

all eligible employees be paid for this additional time upon termination and to use time cards to accurately accumulate this total. They also suggested that a limitation be set for the maximum number of comp hours that could be accumulated.

The accountants noted some addition errors on time cards and recommended that the administration consider the use of computerized time clocks that would calculate time automatically. One employee's time card was questionable as to validation of time and that card was turned over to the controller, Ron Morris, for further evaluation.

Call-back and overtime pay have been a problem in certain departments, the accountants stated. They recommended that all overtime be approved in writing by supervisory personnel and that the administrator also approve overtime and submit a written report detailing hours and dollars to the

board for review. They noted that the policy on call-back pay was rewritten prior to June 30 of this year and that it should eliminate the problem.

Busby said all personnel policies and payroll procedures are currently under review to assure "fairness, accuracy and consistency."

— Contracts — The recommendation was made that the hospital prepare a master file of contracts and leases.

The accountants noted a need for better communication between administration and accounting when contracts are initiated or terminated.

Busby said a master file of all contractual obligations is being compiled, with computer monitoring of service contracts to be re-bid.

— Disbursements — The accountants recommended that all travel invoices be approved by department heads and the administrator prior to payment and a detailed report be prepared to the board for review. They recommended that the ad-

ministrator's travel be approved by designated board members.

They noted that one employee has been receiving travel expense for traveling between her home and the hospital, which does not conform to hospital policy, and recommended that this practice be reviewed by the administration.

Busby said all travel policies and procedures are under review and will be revised by the administration to assure proper documentation and to contain costs.

The accountants also noted that maintenance employees had been receiving monthly payments for tool rental and use of a personal truck and recommended that this practice be reviewed by the administration.

Busby said the practice has been discontinued.

In other matters, the board

— Heard Mike Barton, president of Hospital Management Professionals, conduct a presentation dealing with trends expected to shape the future of the health care industry.

— Awarded insurance coverage to two local firms. Herzfeld Insurance Co.'s bids of \$42,622 for professional liability coverage and \$8,627 for automobile and ambulance coverage were approved; and a bid of \$19,997 for property coverage from Lambeth-Thomas Insurance was approved. No other firms submitted bids.

— Approved contracts for the hospital's environmental service with Arkansas Control Systems for an annual cost of \$12,937; laundry service with Craighead Laundry of Hot Springs for a cost of 23 cents per pound; and waste service with Metro-Waste Disposal for \$430.68 per month.

— Granted non-resident staff privileges to Mose Smith, an obstetrics-gynecology surgeon, and to John Allen Teeter, a pediatrician.

— Approved a 1984-85 management plan presented by HMP.

— Authorized administration to seek bids on a fetal monitor and floor replacement in the surgical areas.



# E.F. Black enters guilty plea

By LYNDA HOLLENBECK  
Courier Staff Writer

The former administrator of Saline Memorial Hospital and his wife, who earlier had pleaded not guilty to charges stemming from a grand jury investigation of the county medical facility, changed those pleas to guilty today.

That action resulted from a plea-bargaining agreement arranged between Special Prosecutors Joe Hardin and Dan Harmon and Black's attorney, Delbert Mickel. E.F. Black Jr. and his wife, Linda, appeared before Judge John Cole shortly after 1 p.m. in Saline County Circuit Court.

E.F. Black received a 20-year prison sentence for each of three Class B felonies he had been charged with, but eight years are to be suspended on each charge. He was also sentenced to eight years for each of

30 Class C felonies and five years for each of five Class D felonies. Sentences are to run concurrently.

All misdemeanor charges for Black will be not pressed, according to the agreement.

The suspended portion of Black's sentence is based on the conditions that he pay a \$7,000 fine into the county treasury within nine months from today, that he fully cooperate with any and all law enforcement agencies in any further investigation of the hospital and that he forfeit all claims he might have to money from the hospital. This would include funds that had been placed into an escrow account that Black would have received if he had been cleared of criminal charges.

He is to begin serving his term in a state Department of Correction facility on Jan. 3.

Linda Black was sentenced to

three years' probation and a \$1,000 fine that must be paid to the county within the next week. She pleaded guilty to one theft of property charge in connection with taking unauthorized control of a \$1,850 check belonging to the hospital. A forgery charge was dropped.

The agreement states that no additional charges will be filed by the court against E.F., Linda Black, Robert Black (the couple's son), Patricia Black (their daughter), or any other member of the Black family.

Eight years of Black's sentence are for three Class B felony theft of property charges, eight for Class C felony theft of property charges and five for Class D felony theft of property charges. Misdemeanor theft of property charges that Black had been charged with will be not pressed.

"It's a good sentence," Hardin said, "in that the person

most responsible for the wrongdoing is going to prison. His (E.F. Black's) cooperation will help in getting anyone who has done anything wrong at the hospital and get them out of the hospital."

He commented that "all of the people we are aware of being involved we have indicted. Any others we find who were involved will be indicted."

"We'll try to move Jim Ralph's trial to the Dec. 4 date that had been set aside for E.F. Black's trial," Hardin said.

Ralph, the hospital's former director of purchasing, was also indicted by the grand jury and faces one Class B felony theft of property charge, nine Class C felony theft of property charges, 34 Class A misdemeanor charges and one count of conspiracy to commit public servant bribery, which is a Class D felony.

Hardin said 20 years is the

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maximum punishment for Class B felonies and five years is maximum on Class D felonies.

"The maximum on Class C felonies is 10 years and we got eight," Hardin commented. "We don't have any control over them once they get to the prison. All we can do is give them the toughest sentence possible."

Harmon said he is pleased with today's action. "I've had a lot of experience in prosecution and defense work," he commented, "and I believe that this is an outstanding agreement from the state's standpoint."

Harmon added, "I am delighted. It is time to put this thing to rest. A lot of innocent people, guilty of no wrongdoing, have had their names published and their reputations tarnished. A trial would have caused even more suffering."

Harmon noted that the hospital investigation has improved the county's financial condition.

"Financially, the hospital has gotten its \$32,000 back (the money being held in escrow for E.F. Black)," he said. "The state has spent \$12,000-15,000 on the case and approximately \$30,000 has been put in the county general fund."

Mickel also had some comments to make following today's actions. "I believe Mr. Black did an outstanding job for the county for nine years," Mickel said. "He made the hospital grow from one that was just a step above a nursing home to one of the best hospitals in the state."

Mickel said the former administrator was "pressured by people in 1983 and 1984" but did not specify who those persons were. "A lot of those folks — all of those folks — are still out on the street," he said.

"They put pressure on him (Black) that affected his judgment."

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# Reactions vary on plea bargain with Black, wife

Barton Courier  
10-26-84

By LYNDA HOLLENBECK  
Courier Staff Writer

Community reactions have been varied in regard to sudden changes of pleas and the ultimate sentencing of the former administrator of Saline Memorial Hospital and his wife.

There were those who expressed surprise; some people contended they had expected an arrangement similar to the one that was granted; other residents said they were pleased that the former administrator would be serving a prison term; and there were some who were indignant that the punishment was not more severe.

For the most part, grand jurors who were involved in the investigation that led to almost 50 charges against E.F. Black Jr., seemed satisfied with the arrangement.

Black, who held the top administrative position at the county medical facility from 1976 until March of this year, and his wife, Linda, both of whom had previously pleaded not guilty to charges stemming from the grand jury probe of the hospital, on Thursday changed those pleas to guilty.

E.F. Black was sentenced to 20 years in prison, but eight of those years were suspended provided he complies with certain conditions, and Linda Black was sentenced to three years' probation. He is also required to pay \$7,000 to the county and she must pay a \$1,000 fine.

Specifically, Black's sentence includes 20 years for each of three Class B felonies, with eight years suspended on each of those charges; eight years each on 30 counts of Class C felonies; and five years each on five charges of Class D felonies.

The suspended portion of Black's sentence is contingent upon the stipulation that the defendant pay his fine within a nine-month period and that he fully cooperate with law enforcement agencies in any further investigation. All sentences are to run concurrently, with Black's imprisonment scheduled to begin on Jan. 3.

Misdemeanor charges against Black were dismissed.

Several persons who served on the county grand jury that conducted an intense investigation into allegations of financial wrongdoing at Saline Memorial were contacted following the action that occurred Thursday afternoon in Saline County Circuit Court.

Bill Selah's reaction to Thursday's court action was favorable.

"I feel very good about it," Selah said. "I'm pleased that the county will get back some of the money that was spent inappropriately and will not have to bear the expense of at least two of the trials. I hope the community can learn from this experience, put it behind us and let's go from here."

Jim Reasons, who was also a member of the panel, had mixed emotions, however.

"I'm not for sure," he commented. "I haven't got my thoughts together yet. I really think Linda (Black) should have gone (to prison) too, because she reaped from everything he did. I was in hopes some of the others would go down, too. They were living awful high off the

See REACTION, page 2



## **FBI enters- hospital case**

Dan Harmon, who has served as special deputy prosecutor for an investigation into financial wrongdoing at Saline Memorial Hospital, revealed today that the Federal Bureau of Investigation has entered the probe.

"The FBI has been been working with us for the past several weeks," Harmon said.

"There are certain areas we still aren't satisfied with — especially the proposed sale of the hospital and cocaine trafficking," he said. "The FBI has the expertise and manpower to track down these out-of-state leads."

When the county grand jury released a report of its findings, it noted that the former administrator, E.F. Black Jr. had set up meetings to discuss the sale of the county medical facility. The report also stated that one person had been hired at the hospital primarily to purchase cocaine.

Harmon also reacted to a statement made Thursday by Delbert Mickel, attorney for Black who pleaded guilty to 38 charges and received a prison sentence. Mickel had stated that Black's actions had been due to the influence of other people he contended were still "on the street."

"The only things influencing Black were cocaine and greed," Harmon said. "I realize Mr. Mickel has to defend his client, but that's ridiculous."

Harmon noted that the eight years that were suspended in Black's 20-year sentence would be reinstated should he not comply with any terms of the plea-bargained arrangement.

The same procedure would apply to Linda Black, the former administrator's wife, who was sentenced to three years' probation after pleading guilty to a theft of property charge. Harmon indicated.

The three persons granted immunity in exchange for their testimony must also cooperate with authorities fully, Harmon said. "If they don't tell the whole truth, their immunity will be revoked," he said.

*Benton Courier 10-26-84*



**opinion**

## Job well done

The plea-bargained agreement reached Thursday between the special prosecutors and the attorney for E.F. Black and his wife, Linda, is an excellent settlement for the state.

Black pleaded guilty to 38 various counts, agreed to cooperate with any further investigations at the hospital, agreed to pay the county \$7,000 and relinquish any claims he had on approximately \$32,000 being held in escrow for him at Saline Memorial Hospital.

He was sentenced to 20 years in the state penitentiary, eight of which will be suspended upon payment of the \$7,000 fine. Black has nine months to pay the fine and must begin serving his sentence Jan. 3, 1985.

Linda Black was sentenced to three years' probation.

There is no way to be certain what would have occurred had Black's case gone to trial, but the chances are that the sentence he would have received, had he been found guilty, would have been no more severe than the sentence he agreed to in the settlement. The state has the added advantage of Black's cooperation in the probe, which could lead to more indictments. A similar case in Paragould involving a hospital administrator who used his position at the hospital for his personal gain went to trial and resulted in a seven-year sentence for the defendant.

The settlement also puts the biggest case resulting from grand jury indictments to rest. The fates of only three defendants remain to be decided.

Any concern over the amount of money all the hospital investigations and trials would cost the county can now be put aside. So far the whole case has cost the county less than \$15,000. Through fines and other agreements, almost \$30,000 has been placed in or pledged to county coffers.

The county owes a debt of gratitude to Joe Hardin, the special prosecutor, and Dan Harmon, special deputy prosecutor, for a job well done so far on the hospital case.

We believe justice has been served in the case thus far and we have no reason to believe that won't be true when the case is concluded.

DB



# 3 more plead guilty; Higdon charged

Denton Clarke  
11-5-84

By LYNDA HOLLENBECK  
Courier Staff Writer

The three remaining defendants in the Saline Memorial Hospital case appeared before Judge John Cole in Saline County Circuit Court today and, through plea-bargaining agreements, changed previous not guilty pleas to guilty.

~~Those pleas came from Jim Ralph, the hospital's former director of purchasing; Kenneth Baxley, a former member of the hospital's board of directors; and Craig Cook, who previously worked in the hospital's purchasing department.~~

~~Another person has been charged in the case, however. Paul C. Higdon, who is currently employed as director of the hospital's emergency services, was arrested Friday afternoon by Sgt. Bill Donnor of the Saline County sheriff's office.~~

Higdon, 35, of 4712 Elmwood, Little Rock, is charged with theft of property, which is a Class B felony. He has been released on a \$5,000 bond.

Deputy Special Prosecutor Dan Harmon said Higdon allegedly entered into an agreement with E.F. Black Jr., former administrator of Saline Memorial, to defraud Transamerica Insurance Co. of funds. That charge stems from action that allegedly

occurred between Aug. 28 and Sept. 4, 1982, and alleges that Higdon served as an accessory to Black in staging a burglary at the former administrator's home in order to aid Black in defrauding the insurance company of \$17,000.

In today's court action, Ralph pleaded guilty to three Class C felony counts of theft of property and one Class B felony count of theft of property. He was sentenced to five years in prison, but the sentence was suspended.

Ralph was also ordered to pay a \$5,000 fine, plus \$2,500 restitution to the hospital which involves relinquishing his claim to funds that the hospital had placed in escrow for him if he had been cleared of criminal charges.

The agreement stipulates that numerous misdemeanor charges against Ralph are to be dismissed.

Baxley, who had been charged with violating a state statute that prohibits a board member from profiting from a contract with that board, was sentenced to one year of probation, a \$500 fine and \$1,000 restitution.

Cook pleaded guilty to a Class A misdemeanor theft of property charge and was sentenced to a year's probation and a \$3,000 fine.

A perjury charge against Cook was dismissed. That

charge had related to testimony he presented before the grand jury that had been called to investigate allegations of financial wrongdoing at the hospital.

The agreements for all of the three defendants also stipulate that they must fully cooperate with authorities in any future investigation and present truthful testimony at any future trials. All probationary sentences are to be supervised by Jack Stafford, county probation officer.

Originally, the other defendants in the case had included: E.F. Black Jr.; Linda Black, his wife; and Tommy Gilbert and Melvin King, former associate administrators of the hospital.

E.F. and Linda Black earlier changed not guilty pleas to guilty. He received a 20-year prison sentence, with eight years suspended, and she was sentenced to three years of probation.

Gilbert and King turned state's evidence and were granted immunity from prosecution in exchange for their testimony.

Carla Hart, the hospital's former director of medical records, had also been charged during the course of the investigation, but she, too, was granted immunity in exchange for her testimony.



# Hospital board position is filled by new resident

By ROB MORITZ  
Courier Staff Writer

Jack R. Rhodes Jr., an account executive with Merrill Lynch Pierce Fenner & Smith Inc. in Little Rock and a Benton resident for only four months, was appointed to the Saline Memorial Hospital Board of Directors at Monday night's quorum court meeting.

Rhodes will complete the seven-year unexpired term of Raymond Thomas, who resigned from the board Sept. 6.

Rhodes will serve on the board until June 30, 1987.

Saline County Judge Wayne Bishop told the JPs that Rhodes will begin his duties Nov. 6 and that he had volunteered for the board position.

Jim Villines resigned his position on the hospital board Sept. 5 and his spot on the board is still waiting to be filled by Bishop. Another board position is also in limbo. Robert Haynes, whose term expired July 1, is serving until Bishop appoints a replacement for him.

Rhodes informed the board that he has lived in Benton since July. Prior to that time, he and his family lived in Heber Springs for 12 years. He told the court that he and his wife, Dacey, a Benton native, were married in Benton in 1969.

When asked about his qualifications for the position on the board, Rhodes said he was formerly part-owner of two insurance agencies, Duckworth/Rhodes Insurance in Heber Springs and Clinton Insurance in Clinton.

He served on the Delta Hills Health Services board, which serves 22 counties in northeast Arkansas. Rhodes said while on that board "we approved expenditures of county health care facilities that received federal funds."

Rhodes added that he also served a year on the statewide

Health Coordinating Council. He was appointed to that post by Gov. Bill Clinton in 1983.

He said he had to resign his positions on those two boards when he moved to Benton.

He added that prior to his marriage, his wife served as assistant director of nurses at Saline Memorial Hospital.

"I feel I have something to offer based on my past experience," Rhodes said.

JP Oris Marie Reed asked Rhodes if he could "assure the quorum court that the board (hospital) won't run into problems again." She was referring to the recent grand jury investigation into financial discrepancies at the hospital, which ultimately led to the arrest of the former administrator and several other employees of the hospital.

"No, ma'am, I can't," Rhodes said. "I can assure you I will ask questions."

He added that he planned to do the "best job" he can on the board.

"Will you keep us informed about the hospital?" Reed asked and Rhodes said he would.

Bishop said the hospital board must present an annual report to the quorum court.

JP Vicki Robinson told Rhodes that he may face some difficult decisions while serving on the hospital board and asked him if he would be "afraid to fight." Rhodes said he would not and added that he did not know what she was referring to. "I realize it's a public facility...I feel a need for a good county health facility."

Ernie Bridges said Rhodes had the proper credentials for the position. County Judge-elect Del Roberson said he was pleased with the appointment.

Roberson informed the court that he has known Rhodes for several years and said he has "knowledge and honesty in the business world."



# Two resign from posts on local hospital board

Two members of the Saline Memorial Hospital Board of Directors have resigned their positions, *The Benton Courier* learned today.

Those resignations came from Jim Curtis and J.B. Tittle.

The agenda for the Jan. 7 meeting of the county quorum court had indicated that three appointments to the hospital board are to be made at that session. When County Judge Wayne Bishop was asked today who would be appointed to those positions and what members the new persons would be replacing, he said "Del Roberson (county judge-elect) is handling that and I don't know who they are."

Roberson was out of the area today and could not be reached.

When Bishop was asked if there had been any recent resignations from the hospital board, he revealed that Curtis had resigned "a day or two ago." However, Curtis said his resignation had been submitted Dec. 19.

Bishop made no mention of Tittle's resignation, but a check with the hospital revealed that Tittle had submitted his resig-

nation Nov. 28, prior to the board's last meeting. No announcement of Tittle's resignation was made at that board session.

Curtis said he had resigned because "with a new county judge and a new administration that has a good grasp of things, I think this would be a good time to name someone who could do a better job."

Curtis said he considered it an "honor to serve on the board of directors for the past 2 1/2 years" and that "the past year has been very hard."

Curtis added, "When you do everything you can and there's still dissension and you don't have (public) support, it's not an enjoyable job."

Efforts to reach Tittle today were not successful.

The board presently consists of Mary Frances Izard, who is serving as chairman; Dr. Jim Porter, the previous chairman; and Robert Haynes, who was not reappointed when his term expired in July, but who has continued to serve until a replacement is named.

Earlier resignations were submitted by Raymond Thomas and Jim Villines, who resigned in September. Jack Rhodes has since been appointed as a successor to Thomas.

Board members testifying before the grand jury indicated that the panel had requested resignations from the entire board, but the five remaining on the board at that time refused to do so.

Haynes, who was also reached today by telephone, said, "Nobody has been appointed to take my place and I'll stay until somebody is appointed."

He said he had not been aware of the resignations of Tittle or Curtis. When asked if he would consider staying on the board if he should be reappointed, Haynes commented, "I don't believe so now, as of today. In light of J.B. Tittle and Jim Curtis' resigning, I wouldn't consider a reappointment."

Both Izard and Porter, who were also reached by phone, said they had no present plans to resign from the board.



# Hospital

## Judge-elect names three to fill vacant board posts

By LYNDA HOLLENBECK  
Courier Staff Writer

Calvin Brown, Patricia Owens and Glenn Holicer will be recommended to serve on the Saline Memorial Hospital Board of Directors at the Jan. 7 meeting of the Saline County Quorum Court.

County Judge-elect Del Roberson said today that he plans to recommend Brown to replace Jim Villines, Owens to succeed J.B. Tittle and Holicer as the replacement for Robert Haynes, pending the approval of the court.

Haynes was not reappointed to the board when his term expired in July, but he has continued serving in that capacity since no replacement for him had been named. After learning that Jim Curtis and Tittle had resigned from the board, Haynes told a reporter Wednesday that he would not consider a reappointment.

Villines resigned his position in early September and Tittle resigned Nov. 28.

Roberson said a recommended replacement for Curtis, who submitted his resignation last week, will be scheduled for the February meeting of the quorum court.

"We feel like we're getting some good people on the board," Roberson said, in regard to the pending appointments of Brown, Owens and Holicer. "These are people with good knowledge of business workings."

He also spoke highly of Jack Rhodes Jr., the most recent board appointee. Rhodes was appointed to replace Raymond Thomas, who resigned his board seat one day after the Villines resignation came.

Roberson said he has not requested the resignations of the present board members and that he would have to give some thought as to whether he might ask for resignations from the board's two remaining members, Dr. Jim Porter and Mary Frances Izard. Izard is the current chairman of the board and Porter previously chaired the group.

A county grand jury conducting an investigation into allegations of financial discrepancies at the hospital asked for the resignations of the entire board, which at that time consisted of Porter, Izard, Curtis, Haynes and Tittle, according to statements made by board members following their testimony before the panel. Both Villines and Thomas had resigned prior to that event.

Wayne Bishop, who will be leaving the office of county judge at the end of the year, told *The Benton Courier* Wednesday that Curtis has resigned from the board. It was not learned that Tittle had also relinquished his board seat until a hospital secretary revealed Wednesday that Tittle had resigned at the end of November. The secretary said she had called Tittle to remind him of the board's Dec. 18 meeting and was told he had submitted his resignation on Nov. 28. Apparently, the hospital administration had not been notified of Tittle's resignation and no announcement of the resignation was made at the board's December session.

Porter and Izard, when contacted Wednesday, said they had no present plans to resign from the board and that Roberson had not asked them to do so.



**opinion**

## A fresh start

It appears 1985 will be a much better year for Saline Memorial Hospital, considering it will begin the year with several new board members.

The board caught a lot of flak during the past year because of goings-on that eventually resulted in a grand jury investigation and indictments returned against several employees and former employees of that institution. Public sentiment turned away from the board because bogus expenditures and unethical practices abounded at the hospital without the board's knowledge.

The grand jury eventually asked every member of the board to call it quits, but none answered that call until late last month when J.B. Tittle turned in his resignation. Jim Curtis quit the board last week. Two board members, Raymond Thomas and Jim Villines, left the board before the grand jury plea. Robert Haynes, whose term on the board expired in July, has continued to serve as a member of the board because County Judge Wayne Bishop never appointed anyone to take his post. Haynes agreed to continue in the position until a replacement was named. Roberson has tabbed Holicer for that spot.

Only two of the original board members, Dr. Jim Porter and Mary Francis Izard, remain on the board.

Porter was board chairman when former administrator E.F. Black Jr. resigned and remained head of the board through most of the controversy that followed. Izard took over as chairman in July and has continued in that post since.

The board was never the real problem at Saline Memorial Hospital. Its most glaring error was allowing too much freedom at the administrative level.

We agree with Curtis' reasoning for leaving the board now. He said that with a new county judge coming in "this would be a good time to name someone" else to the board.

It would be a good time for Porter and Izard to jump on that bandwagon so that Roberson and the Quorum Court can begin the new year with a fresh start regarding the hospital.

DB



# Year's biggest news involved local hospital

The biggest news to hit Saline County in 1984 involved the county medical facility — Saline Memorial Hospital.

The series of events began early in the year — March 5 — when E.F. Black Jr. suddenly resigned as administrator of the facility, a post he had held since 1976. That resignation came in the midst of the discovery of financial irregularities and ultimately led to a two-day grand jury investigation at the end of March.

Following that grand jury probe, indictments involving theft of property charges were

handed down for Black, his wife Linda, and Jim Ralph, the hospital's director of purchasing. The former administrator was charged with 20 counts; Linda Black, one count; and Ralph, 15 counts.

Carla Hart, the hospital's former director of medical records, was later arrested for the alleged falsification of a hospital travel voucher, but the charge was later dropped in exchange for her testimony before a second grand jury that was called.

Investigation into the hospital situation continued, but the

prosecuting attorney, Bob Alsobrook, withdrew as prosecutor and Circuit Judge John Cole named Joe Hardin as special prosecutor and Dan Harmon as special deputy prosecutor to continue the probe. The second grand jury began meeting June 27 and continued its deliberations throughout the summer, not officially concluding until Sept. 25.

A steady stream of witnesses appeared before the panel during the course of the investigation. Witnesses included physicians and employees on staff at Saline Memorial, pre-

sent and former members of the hospital's board of directors, past and present county officials, local businessmen, and officials of a Memphis firm involved in the local construction of a hospital for emotionally disturbed children and adolescents.

Before the grand jury concluded its deliberations, one of the witnesses, Craig Cook, who had formerly worked in the hospital's purchasing department, was charged with perjury; and Melvin King, one of the hospital's two former associate administrators, was charged with theft of property. King had been

subpoenaed to testify before the panel, but could not be located until a warrant was issued for his arrest.

On Sept. 14, the grand jury returned indictments for seven persons. Again, E.F. and Linda Black and Ralph were indicted, along with the hospital's former associate administrators, Tommy Gilbert and King; Cook, the purchasing department employee; and Kenneth Baxley, a former member of the hospital board. Charges filed against E.F. and Linda Black and Ralph from the first grand jury investigation were eventually dropped.

The seven persons indicted entered not guilty pleas during arraignment proceedings in Saline County Circuit Court. However, plea-bargaining agreements resulted in Black and his wife changing their pleas to guilty. Linda Black received a probationary sentence and E.F. Black was sentenced to a 20-year prison term, scheduled to begin Jan. 3.

Similar arrangements were made for the five other persons who had been indicted and all received suspended or probationary sentences.

*Benton Courier*  
12-31-84