

Drug Rehabilitation Agencies Straight Inc.

Payments to Straight drug program suspended

■ *Straight Inc. is a drug treatment program in Pinellas County that uses peer pressure and behavioral modification techniques on juveniles from 12 to 18. In recent months it has been under investigation by state health officials. Now, other agencies have begun questioning its operation.* ■

By WILLIAM NOTTINGHAM
St. Petersburg Times Staff Writer

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Federal grant payments to Straight Inc. have been suspended "because of continuing allegations" and "conflict-of-interest questions" overshadowing the program, a state official said Thursday.

Although the payments could resume if the allegations are proven false, the official described the action as "serious."

"Yes sir, we don't suspend someone's funding lightly or whimsically," said Dr. John H. Dale Jr., assistant chief of the Bureau of Criminal Justice Planning and Assistance.

"IT'S NEVER A light or capricious action ... you're talking about people's paychecks."

Of the \$50,000 grant to Straight, \$5,000 remains to be disbursed. Dale said that money was being withheld because "it's easier to hold money than it is to get it back."

He explained that if officials find that Straight improperly used the grant, they could order the program to return some of the money to the government.

Dr. Leon Sellers, a member of Straight's governing board, also confirmed to *The St. Petersburg Times* Thursday that the program has employed children of three current or former board members — Richard G. Batchelor, Helen R. Petermann and Marlene Hauser.

SUCH EMPLOYMENT may violate federal conflict-of-interest law, state officials said. And that is one reason the grant payments were stopped.

But Sellers said the three relatives were not hired out of favoritism, but instead were "selected on the basis of merit."

Dale and a high-level official with the State Department of Health and Rehabilitative Services (HRS) — which has been investigating Straight for several months — plan to visit the program Tuesday to investigate.

They also will question why out of Straight's more than 450 clients, only one has been black, said Dale.

"Anytime public confidence in a program is questioned, there's a reason for it," said Dale. "We assume where there's smoke there's fire."

SINCE LAST SPRING, Straight has been receiving monthly payments from a \$50,000 Law Enforcement Assistance Administration grant. The money is used to pay employee salaries, and it is controlled by Straight's governing board.

Federal regulations bar any official from participating in proceedings involving grant money "where to his knowledge, he or his immediate family ... has a financial interest."

In January, accountants with the city of St. Petersburg — which helps administer Straight's grant — discovered that the money had been improperly comingled into a single bank account. The accounts since have been separated.

Straight's executive director James E. Hartz declined to comment for this article, despite repeated requests from *The Times*. A spokesman for Hartz asked that a reporter submit his questions in writing.

Earlier this month, the spokesman made a similar request when *The Times* sought Hartz' comment for another article. Though the newspaper complied, Hartz never responded.

IN A MEETING with *Times* editors last week, Hartz and several Straight board members complained that the program had been given unfair treatment in recent news articles. They insisted that they wanted to be open and candid about Straight's operation.

One board member present at that meeting was treasurer John White, a financial official with the city of St. Petersburg.

White said Thursday that the grant suspension probably would not hamper Straight's immediate operation. He also said he thought the suspension was unnecessary.

"But I don't know what all is involved," he said. "All I've got basically is what I've read in the paper."

"I'm not involved in the program on a day to day basis."

IN A RELATED development, recently fired HRS administrator Robert G. Marshall — the man who ordered the initial Straight investigation — has questioned whether complaints from Straight officials sparked his dismissal.

A spokesman for HRS Secretary William J. Page Jr. denied that the firing was related. But the spokesman conceded that Straight officials had complained about Marshall.

Board member White said that on one occasion a Straight official did complain to Page. But he said, "I don't know who it was ... I wasn't there."