

The Story Everybody Has Been Waiting For!!! Corruption and small-minded greed Doom Generations of Cleveland County Taxpayers!!! Warning- This Story Does NOT Have a Happy Ending!! The Truth is provided by Robert A. Williams

Editor's Note: For full effect, if your heart can stand it, you must read this article to the very end.

This article is the final article of a three-part series. The first part was a warning that reading these articles could be hazardous to your health. That you should make sure all your blood pressure and Heart medicine prescriptions are up to date, filled and ready to take when your heart begins to race and your breath is taken away.

The second article in this series was a calculation of the known needs on Cleveland County going forward from today. It was calculated that between \$370 Million and \$512 Million in additional taxes would be needed in the coming years to replace our aging schools, the aging DSS Building and the "New" Courthouse/Jail House. And nothing else.

Again, that second article was titled Cleveland County is Broke and between now and your grandchildren lifetimes an additional \$370 Million and \$512 Million in NEW taxes will be

required for Cleveland County to just stay even. It didn't have to be that way! Corruption, small-minded greed, School Merger and the American Legion World Series Baseball, Inc caused the dominos to fall the wrong way and we (us, our children and grandchildren will soon have to pay the piper for electing the wrong people to represent us on the Cleveland County Board of Commissioners.

Let's start at the beginning. Before the turn of the Century. Before Y2K. Before 2000 AD.

Before Y2K Cleveland County owned the hospitals in Shelby, Boiling Springs and Kings Mountain. As well as the Health Department, Cleveland Pines and perhaps other Healthcare facilities. The Commissioners were charging Carolina Medical Service (CMS) \$1 per year to allow CMS to run the Shelby Hospital for them. I am not sure exactly about the other Healthcare facilities just mentioned.

When the School Merger (that never merged) came about the Commissioners, instead of causing savings, needed \$1.4 Million more to run fund the School Merger. The Commissioners, instead of raising taxes, squeezed CMS into going from \$1 per hear for the Shelby Hospital to \$1,4 Million per year. And CMS, who had been making tons of cash anyway off the Hospital agreed to the new deal.

Things rocked along for a few years until the nationwide financial crisis of 2008 that caused widespread unemployment and lots of home foreclosures in Cleveland County. The Cleveland County Commissioners decided to freeze county employee salaries and dip into reserves to maintain their free spending ways. It seems like the Cleveland County Commissioners developed the knack of keeping on with their wasteful spending habits on the backs of the citizens of Cleveland County. The Commissioners in the timeframe coming up (2011-2013) were Jason Falls, Johnny Hutchins, Ronnie Hawkins, Susan Allen and Eddie "Massa Eddie" Holbrook.

Massa Eddie Holbrook, apparently a conniver and huckster at heart, began to influence the other Commissioners that projects such as the Earl Scruggs Center and the American Legion World Series games could turn Cleveland County's financial situation around and make tons of money for Cleveland County in the process. The Godbold School of Business at Gardner Webb came up with this phony projection that the Earl Scruggs Center would bring in \$220 Million in revenue in Cleveland County over a ten-year period. So, the Commissioners through a lot of reserve money into getting that ball rolling. (It is now 2020 and the Earl Scruggs Center has never made a dime in profit.)

All the while Massa Eddie was teaming up with other suckers into hatching a plan to lobby the American Legion to hold their World Series games in Shelby for a couple years. Massa Eddie rounded up two bus loads of his buddies for a boondoggle trip to Indiana to see the big wheels at the American Legion National Headquarters in Indiana. The two busloads of Shelby folks wined and dined the American Legion folks into giving Shelby the ALWS contract for a few years. It was a secret at the time and still a secret until much later until I learned that Massa Eddie had seen to it that Cleveland County taxpayers had paid for all the travel and wining and dining. Of course, the news from Massa Eddie was that Shelby would be the "permanent" home of the ALWS. Also, around this time Massa Eddie had set up a non-profit corporation, the American Legion World Series, Baseball, Inc., with himself as the Chairman of the Board.

Anyway, this was the prelude to the disaster that was developing.

The extravagant spending of taxpayer dollars by Massa Eddie Holbrook and his newly formed corporation that was secretly tapping major funding from the Cleveland County taxpayers began a more serious drain on the county's reserve funding. The Extravagant spending on Massa Eddie's ALWS project and

other projects that Massa Eddie was approving so nobody would notice that he also had his hand in the taxpayer's cooking jar was like a giant Ponzi scheme. But, now more money was needed and a tax increase was out as that would rile up the taxpayers to take a closer look at County finances.

This was the beginning of the end of any possibility of fiscal responsibility on the Cleveland County Board of Commissioners. Massa Eddie decided he would sell the Shelby Hospital.

The first hurdle of selling any county property is North Carolina Law. North Carolina law requires all sales of County Property over \$30,000 be done by a public bid process. The law requires that the property sale be publicly announced for and multiple competing bids be sought after and the highest "responsible" bid be accepted.

Only thing was, all this public knowledge stuff would keep Massa Eddie from doing his secret funneling of taxpayer money directly into his very own company's bank account. No, doing everything in public as the law required would not be how Massa Eddie was not going to allow to go down. Secret wheeling and dealing is Massa Eddie's style and the other commissioners went along with the secret plans. Besides, says Massa Eddie, CMS wanted to keep everything a secret. So, they did.

In the end, the Commissioners sold every last county owned health care property to Carolinas Medical Services for \$100 Million. Big money it sounds like. But the details tell another story.

The secret sale of the county owned healthcare facilities for \$100 million also included the Health Department. And the County had to have a County owned Health Department. So, the cost estimates of \$23 Million for a new Cleveland County Health Department to be built beside the DSS Building on South Post Road came into being. Of the \$100 Million sale price, only \$23 million would-be paid-up front by CMS for the County

to build their new Health Department. The remaining \$77 million would be paid back at \$3 Million per year with the county charging ZERO interest. It would take 26 years for CMS to pay off that \$77 million.

In case you thought about this, since the County was already getting \$1.4 million per year rent on the Shelby Hospital, that \$1.4 million per year for 26 years means the County would have gotten \$36.4 million anyway, without the sale. So, the actual value of the sale was \$100 Million minus \$36.4 Million. Which equals \$63.6 Million that the County actually will get for the sale of all of the county healthcare facilities. Of which over \$50 million is still to be collected at \$3 million per year.

And, what appears to be a bribe. CMS coughed up a separate \$1 Million for Massa Eddie Holbrook. Sources say CMS cut Massa Eddie a check for One million dollars that was deposited in his personal checking account. But, then, probably because I was raising the roof about all the secret wheeling and dealing going on, Massa Eddie got scared a bit and then gave to the million bucks to the county, who then cut Massa Eddie's company, ALWS Baseball, Inc. a check for \$1,000,000 with two different notations on two different lists, One notation said the million buck check the county cut for ALWS Baseball was for upgrades to the Shelby High School Boys Baseball Field. The other notation said the million buck county check was a "grant" from CMS. Either way, the county check for a million bucks was made out to Massa Eddie Holbrook's company which was directly under his control.

All in all, Cleveland County taxpayers have around \$5 Million to date given to ALWS, Baseball and Massa Eddie Holbrook.

Also, after CMS bought all of Cleveland County's healthcare facilities, the CMS awarded around \$10 million in bonus money to the top ten CMS executives. That should tell you something about who got screwed sale of the county healthcare

facilities. I have no information that other commissioners got any cash under the table in the sale. On the other hand, I have no information that they did NOT get any cash under the table.

But folks, on a relative basis, all that I have written so far is the good news. I have always believed Cleveland County taxpayers got screwed royally in the sale of our health care facilities. But I never had any idea how much we got we got screwed. Until NOW.

Real estate folks would call this "comparables." Comparables are properties that have been sold on the open market for a fair market price as compared with a similar property that is going up for sale. That is how a property's asking price is established. Up until recently, I had no other Hospitals or healthcare facilities that have been sold on the open market to compare with the fair market value of the Cleveland County Healthcare facilities that were sold by the Commissioners to Carolina Medical Services. What I found took my breath away. I believe it will have a similar effect on you too.

Recently the New Hanover County sold their county owned Hospital. The commissioners in New Hanover County followed the law and put their property on the open market looking for the best deal. They did what the law required and what is basically good business practices. And they received five competitive bids. Where Cleveland County Commissioners did everything wrong, New Hanover County did their Hospital sale right. Be prepared to be shocked.

I will start with the Atrium bid. Remember Atrium is the new name for Carolina Medical Services. The same crowd who bought our health care facilities.

For a comparable evaluation you have to figure that New Hanover County has a population that is about three time that of Cleveland County. But New Hanover County sold their

hospital and we sold three hospitals, Cleveland Pines and perhaps other facilities. So, let's just consider the sale as being comparable-one for one comparable, just to keep the math simple.

Atrium bid \$3.1 BILLION in investments for the New Hanover County Hospital, payable over 40 years and at the end of the 40 years New Hanover County would still own the hospital. Now, our offer was for \$100 Million, although actually we got much less. \$100 million is 0.1 of a BILLION Dollars. That means Atrium's bid for the New Hanover County facility would get \$3 BILLION MORE than what our stupid commissioners got for our property. IF New Hanover County had taken Atrium's bid. But New Hanover County did not give a second thought to Atrium's bid of a paltry sum on only \$3.1 BILLION over 40 years. New Hanover County took the HIGH bid of nearly \$5 BILLION in cash and investments that was offered by Novant Health in a deal that is still developing. There were some discussions of the County Commissioners taking \$1.5 Billion and investing it in such a way that \$50 million per year would be generated per year for the county forever.

In the final analysis, the Cleveland County Commissioners lost at least in the Billions of dollars on the Secret sale of our healthcare facilities and there is nothing to show for it. WE will still have to increase our taxes significantly to pay for the projected needs of \$370 Million to \$512 million as previously noted. Our Commissioners have lost for us citizens at least a \$Billion dollars on their secret and corrupt sale of the county's most valuable asset. How short-sighted, small-minded and obviously corrupt was the sale of the Cleveland County healthcare facilities. Stupid, incompetent and criminal are words that also come to mind. And, the bottom line is that it is done and we are stuck in this dying county with a bunch of know-nothings as County Commissioners. There is no happy ending for Cleveland County in losing so much money.

Folks, this is why I recommend single-shot voting for the gay, black commissioner candidate for the County Commissioner office. As only a protest when a clean sweep is what is needed.

But, the School Board 2020 Elections offer a positive change for the better. This is my recommendation for marking your ballot for the best school Board candidates to vote for. Our recovery has to start somewhere.

