

\$85,000 transfer prompts inquiry

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State Examining Westlake Action

Westlake - Alderman Carroll Huntress' move to transfer \$85,000 from a state investment fund to town coffers has led to an investigation by the Texas Comptroller's office and agencies.

Huntress used most of the money - about \$67,000 - to pay former Town Attorney Bill Wood. The May 6 transaction was made without a required identification number, conflicting with comptroller policy. The alderman also dodged town restrictions on large payments by writing 67 checks for \$1,000 each to the law firm Wood, Thacker and Weatherly.

A spokesman for the comptroller's office said yesterday that the agency has reassigned the employee who authorized the transfer and is investigating who should control Westlake's purse strings. The town's \$2.4 million investment account remains frozen.

"The legal staff is trying to determine before they unfreeze the account who are the legal officials of the town of Westlake and, therefore, who have should access to the account," spokesman Ross Ramsey said. He said the agency should not have authorized the transfer without written consent from two town officials.

Comptroller's attorneys are poring over court papers and other documents that have been filed since the departing Board of Aldermen voted to disannex most of the town, Ramsey said. The disannexation included Ross Perot Jr.'s Circle T Ranch, which has been at the center of a bitter fight about development.

"We're doing it as quickly as we can," said Ramsey, who likened the Westlake tumult to a Hatfield and McCoy feud. "The town's still got to pay its bills."

Yesterday, a Texas Rangers spokesman confirmed that the agency has "looked into the matter" with the Tarrant County district attorney's office. But neither agency characterized its inquiry into Huntress' actions as an "active investigation."

"The Trophy Club Police Department called us and we have listened to them," Texas Rangers spokesman Ted Poling said. "There was nothing we could see upfront to find a violation."

Trophy Club provides law enforcement services to Westlake.

Trophy Club Police Chief David Miller could not be reached to comment.

Mike Adair, an investigator for the district attorney's office, has also met with the Rangers and Trophy Club police.

"We don't have enough information as this point" to proceed with a case, Adair said.

Huntress, who has asserted he was following the advice of attorney Wood in making the transfer, declined to comment.

The transfer was made a few days after the departing aldermen disannexed most of Westlake and ousted Scott Bradley as mayor. It was also after voters had given control of the board to Bradley supporters.

Wood had been hired by the former board despite the protests of Bradley and many town residents who said the attorney had conflicts of interest because he had worked for Perot and had represented some aldermen in private legal actions. Wood has declined to comment about the conflict-of-interest allegations.

At a May 2 board meeting, Huntress and Aldermen Howard Dudley, AL Oien, and Jerry Moore authorized payments to Wood. Huntress told a dismayed crowd that he did not know much Wood would be paid.

Four days later, Huntress called the comptroller's office asking whether Westlake money in the state Texpool investment account could be wired to the town's checking account at Keller State Bank. That move usually requires a personal identification number or two signatures on a consent form, but Huntress told comptroller's officials that no one else was in Town Hall and that he did not have access to his PIN.

Huntress faxed a letter to the agency, saying, "I never received my PI n number and we need to transfer \$85,000 from Series III Fund 000 to the Town of Westlake account 6786263 at Keller State Bank. This will further confirm that both other persons authorized are out of the office and we need this transaction made TODAY."

State officials could not reach anyone at Town Hall, because Huntress and the lame-duck aldermen and their appointed mayor, Dale White, had the locks changed and the door bolted shut. Town Secretary Ginger Crosswy had not access.

Later that afternoon, Huntress wrote the checks to Wood. All 67 cleared the bank May 7. An additional \$15,000 in checks to attorney George Staples, who the former board hired to oust Bradley, bounced after Crosswy and Bradley shut down the town's bank account.

Staples wrote a letter threatening legal action against Crosswy and the town unless he is paid. Paul Isham, who was rehired as the town attorney by the new aldermen, wrote back that Huntress "committed improper and unlawful acts" when he wrote the checks.

"Please be advised that the town records do not reflect the hiring of you or your firm by the Town of Westlake," Isham wrote. "Your statements reflect that your client was Howard Dudley and they were mailed to Mr. Dudley at his office address. Thus, the town's position is that you should look to Mr. Dudley for payment of your services."

Bradley said the town is not in immediate jeopardy because of the frozen investment account.

"This week we got in a sales tax check for \$200,000 to operator on," Bradley said. "We have money in the checking account, so that will take us along for a while."
