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hit PLO camps in Lebanon

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as aerial spraying begins

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Rocky Mountain News

METRO
EDITION

Printed
in the U.S.A.
Postage paid

123rd year, No. 84

Denver, Colorado 80204

Wednesday

July 15, 1981

15 cents

JBC gives nod to funds for Clayton probe

By HAREN BAILEY
News Staff

The Colorado Legislature's Joint Budget Committee changed its mind Tuesday and informally approved an initial \$50,000 investigation of the Clayton Trust.

Attorney General J.D. MacFarlane said he will hire an accountant and an appraiser at once and begin the investigation "as soon as I can put it together."

The Rocky Mountain News reported in June that the trust fund, which supports Clayton College for Boys orphanage in northeast Denver, has been so poorly invested by the mayor and other city officials that not enough income has been available to operate the facility. That has forced trust officials to use capital to meet operating expenses, in violation of the will creating the trust and possibly in violation of state trust laws.

Following these disclosures, MacFarlane asked the budget committee for funds to investigate the Clayton Trust. But the committee turned down the request, saying Denver District Attorney Dale Tolley should investigate the trust if there were any indications of criminal wrongdoing.

But MacFarlane explained to the committee Tuesday that there have been no allegations of criminal wrongdoing by the three Denver officials who manage the trust. He said the only questions involve possible violations of civil laws governing the actions of trustees. Violators aren't subject to criminal penalties, only civil lawsuits.

The state attorney general is responsible for representing the interests of beneficiaries of such charita-

ble trusts as the Clayton Trust, MacFarlane said.

Besides, he said, the Denver district attorney shouldn't be asked to investigate the Clayton Trust because it is operated by Denver officials. Expecting the city to investigate itself is "utterly out of the question," he said.

MacFarlane had asked for \$100,530 for an initial six-month probe of the Clayton Trust. He said a thorough investigation to follow might cost more than \$600,000.

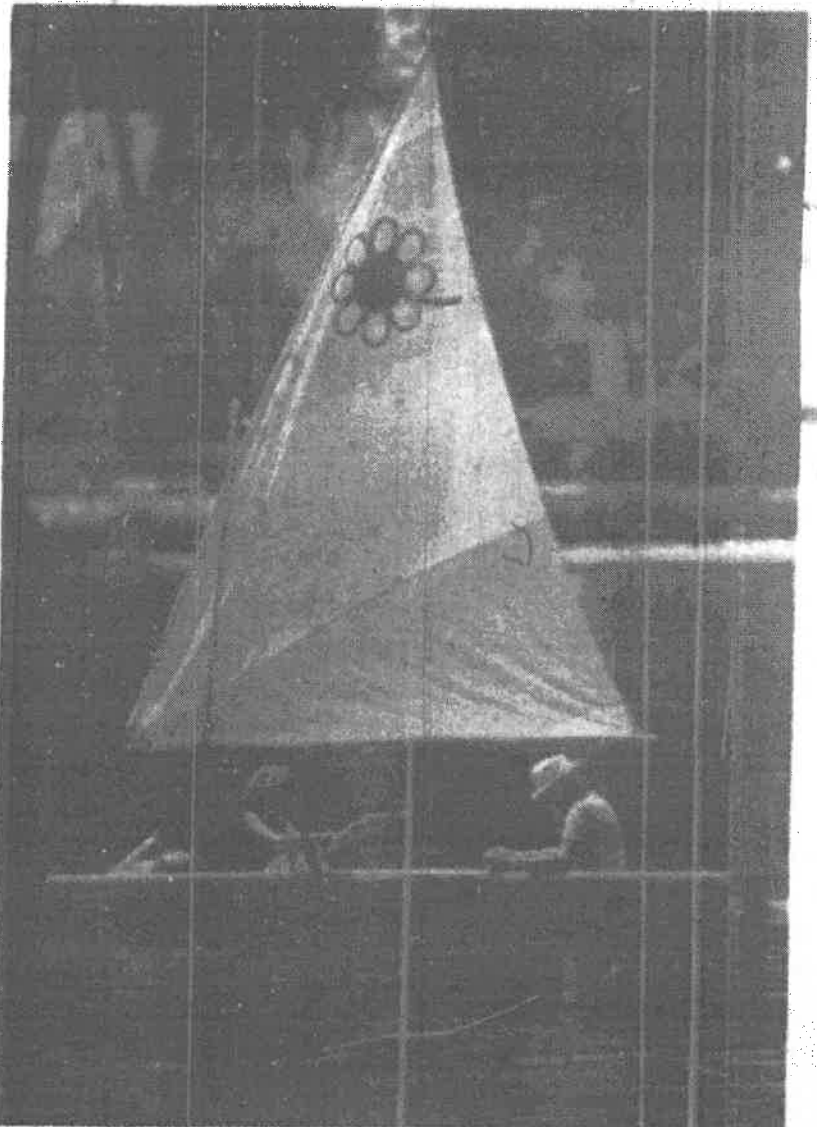
But the attorney general claimed that the state probably will be able to recover its costs from money obtained for the trust because of the investigation. Some of these costs ultimately might be paid personally by the Denver officials who operate the trust or by other persons who have improperly benefited from the management of the trust, he said.

Several committee members said they never received MacFarlane's June 23 letter explaining his need for funds to investigate the Clayton Trust and that they didn't understand the reasons for the investigation until MacFarlane explained them Tuesday.

Pioneer Denver millionaire George Washington Clayton left his fortune in 1899 to create a home and school for poor orphans. Today, 22 boys live in four "cottages" on the campus of Clayton College for Boys at Colorado and Martin Luther King boulevards. They attend public schools.

The Clayton Trust is supervised by Denver's mayor, manager of revenue and City Council president.

(Continued on page 14)



BOATS PHOTO BY JOE R. LOPEZ

Sailing cools summer's sizzle

Boaters spend a quiet day on Smith Lake in Washington Park. Afternoon breezes aided sailing efforts on a typical July day Tues-

day. The National Weather Service reported an afternoon high of 93°, but forecast a high of 85° to 90° for Wednesday.

Dems reject Reagan tax bill, adopt their plan

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CORRECTION NOTICE

Sears pre-print of July 15 needs the following corrections:

Page 1 the dresses for little girls are available in sizes 4 to 6X only.

Page 7 the 28005 exterior satin paint is reg. 13.99, sale priced at 9.99. The 29005 exterior flat is reg. 12.99, sale priced at 8.99.

We regret any inconvenience this may have caused our customers.

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Clayton probe funds given nod

(Continued from page 1)

"There are some indications that there has been some mismanagement of that trust almost since its inception," MacFarlane told the JBC Tuesday.

He said some of the most valuable real estate in Denver today once was owned by the Clayton Trust and that the property was disposed of through some "highly questionable" transactions. He also said the Clayton Trust owns the Park Hill Golf Course but gets little or no income from it.

Final approval of funds for the investigation awaits a review

by the JBC staff and formal votes by the committee and the Colorado Legislature next year.

On Tuesday, the committee voted 5-1 for a motion by Sen. James Kadlecak, D-Greeley, "that we indicate to J.D. we would be willing to consider" approving the expenditure of \$50,000 initially for the investigation, with the approval of more funds likely later if MacFarlane can justify it.

The only vote against Kadlecak's motion was cast by Sen. Cliff Dodge, R-Denver. Dodge said MacFarlane's explanation of the need for an investigation seemed too vague to him.

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