

# Rocky Mountain News

Weather  
Unseasonably cool  
Details, page 3

123rd year, No. 238

Denver, Colorado 80204

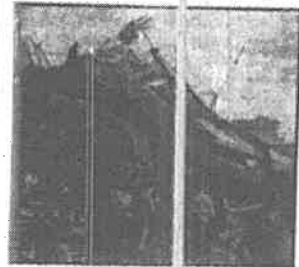
## Wednesday

December 14, 1977

15 cents

# Polish troops rush strike sites

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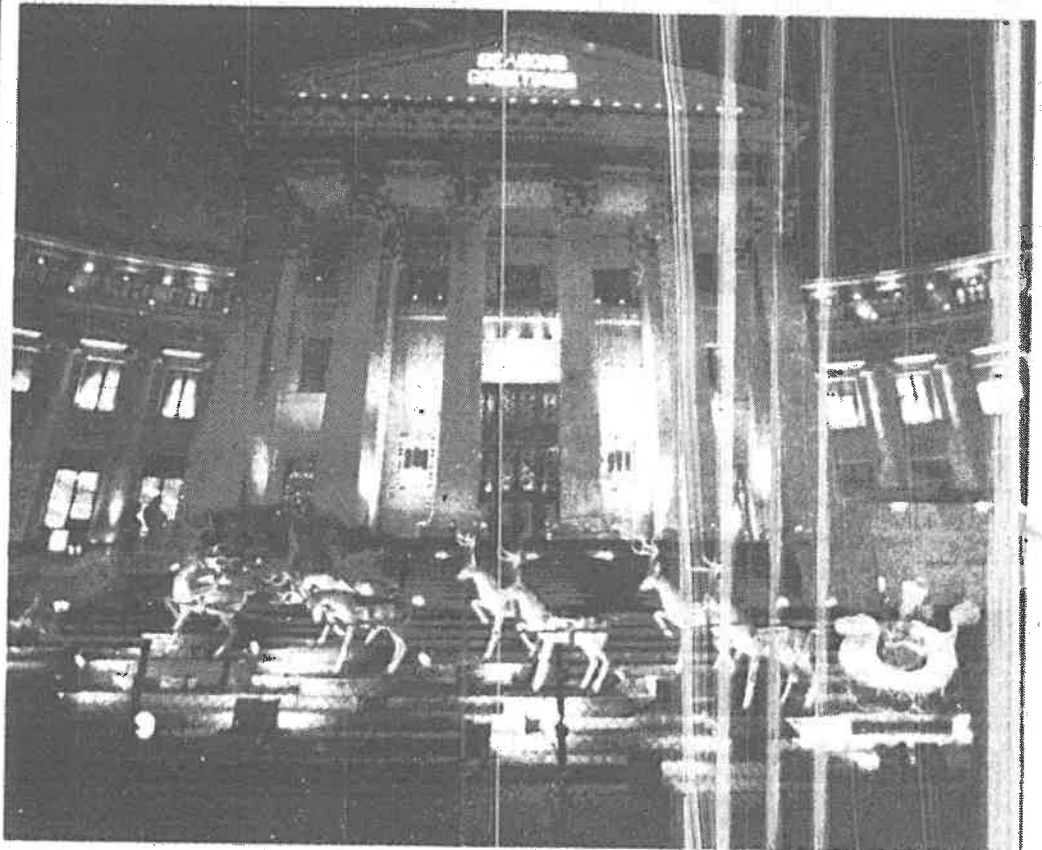
### Explosion kills 25 at Iraq's Beirut embassy

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### Perez de Cuellar elected to top U.N. position

PAGE 33



REBEL PHOTO BY KEN PAPA

## Holiday colors return to City Hall

The Christmas lighting display at the Denver City and County Building went through a test run Tuesday night. The lights stay on from 6:30 p.m. to 9 p.m. through Dec. 23. Christmas Eve and Christmas night the display will stay on until midnight.

# End to Denver's Clayton College role sought

By LOUIS KILZER  
News Staff

The Colorado Attorney General Tuesday asked a judge to remove Denver as the administrator of the Clayton College for Boys, charging that the city has flagrantly breached the boys' trust, engaged in "self-dealing" and misappropriated trust funds.

Attorney General J.D. Sacchi also said in a court document that he may seek repayment of trust funds that have been lost because of alleged improper management by the city. These possible "charges" could run into millions of dollars.

The legal action follows a series of reports in June, allegedly that Denver was mismanaging a trust fund established in 1919 for the benefit

of poor orphans. The reports said the city officials who manage the trust have neglected the orphans and disadvantaged youths who live at Clayton College while turning the trust's major land asset into the Park Hill Golf Course, which earns no money for the trust.

The attorney general's petition charges Mayor William H. McNichols Jr. and other city officials with "deliberate, continuing, knowing and flagrant" violations of the will establishing Clayton College.

For example, while about \$800,000 of trust funds was spent in the 1970s constructing a new club house at Park Hill for city golfers, the buildings on the Clayton College campus at Martin Luther King and Colorado boulevards have "fallen into dis-

repair and neglect," the petition states.

The petition asks Denver Probate Judge James Wade to appoint new temporary trustees who would be "free of the conflicts of interest which have been present." The temporary trustees should draw up a plan to ensure that misuse of trust funds ends, the petition says.

The petition, which was written by Assistant Attorneys General Howard Kenison and James R. Riley, also asks Wade to appoint a committee to sift through the voluminous trust records in an effort to determine how funds have been used.

Following the committee's report, the petition states, the attorney general's office may take further action to force the city to pay back any misused trust funds or to

ify all past property transactions for which the city has not been in proper. Also, the trust transactions that might be questioned is the 1975 sale of part of Park Hill Golf Course to the federal government for a new U.S. Mint, which never was built.

Clayton College was conceived nearly a century ago by pioneer Denver millionaire George Washington Clayton as a refuge for orphans. Clayton's will instructed the city to use his estate for "founding, establishing and forever maintaining a permanent College for the better education and comfortable maintenance, than they usually receive from the application of public funds, of poor orphan children."

(Continued on page 48)

# Removal of Denver role in Clayton College sought

(Continued from page 1)

In 1909, the City Council established the Clayton Trust Commission — the mayor, the council president and the manager of revenue — to manage the trust.

Clayton specified in his will that the trust funds could "never be applied to any other purpose" than Clayton College.

The petition charges the city has consistently used the trust funds for its own purposes, not for those of the youths at Clayton College. As a result, "an unknown number of children (have been) deprived of the benefits of the college," the petition says.

McNichols, who refused to answer questions about the petition Tuesday, told the News last summer that Clayton "probably wouldn't give a damn" how the trust was being managed.

The petition lists several areas where the city allegedly has

trouced its trust to the youths. Any one of them, it said, would warrant the removal of the city as trustee.

● The Park Hill Golf Course, worth at least \$10 million and possibly much more, is retaining less than 1 percent of its value to the trust, the petition says. The city, in its role as trustee, leased the golf course to itself and then hired a concessionaire to run it.

That, according to the petition, is "self-dealing." The petition also charges that trust funds have been drained to make golf course repairs, which are the obligation of the concessionaire — who has at times been as much as \$100,000 behind in his rent.

● The petition charges that city administrators have allowed principal assets of the trust to be sold to meet operating expenses. That action, the petition alleges, directly violates provisions of Clayton's will.

● The trust didn't receive a fair price for the golf course land sold to the federal government for a new mint, according to the petition. Also, city officials let the trust pay the concessionaire's alleged \$200,000 losses for "interruption of business" caused by removal of golf holes from the proposed mint site. The petition states.

● The sales of trust land in downtown Denver in 1969 and a trust-owned apartment building in 1981 were made to single bidders, without seeking other bids, the petition states. It charges that the bids were accepted on the basis of "appraisals which do not reflect true fair market value" of the properties.

● Other apartments owned by the trust are earning below market rents, the petition says. Also, rents charged social service agencies using buildings on the Clayton College campus "are grossly inadequate," according to the petition.

● Finally, because of "imprudent, improper, and undiversified investments," the College hasn't had enough revenue to support itself, the petition states. As a result, the buildings are dilapidated and "staffing (has been) neglected and underfunded."

Recently, Clayton College director Richard Stare, 66, was arrested and suspended from his job after a 13-year-old boy at the college claimed Stare had sexually assaulted him. Stare has vigorously denied the accusation.

Denver District Attorney Dale Foskey said Tuesday he would decide on Friday whether to press formal charges in the case.

Kennison said he hopes Wade will schedule a meeting in January to hear more details of the attorney general's allegations.

## Intelsat satellite blasted into orbit

CAPE CANAVERAL, Fla. (UPI) — An Atlas Centaur rocket blasted a two-ton Intelsat 5 communications satellite from the Kennedy Space Center into an oblong orbit Tuesday night, ending four days of frustration.

The launch was flawless. It followed two previous attempts to launch the satellite, both of which had to be canceled because of rocket systems problems.

Twenty-eight minutes after the 6:35 p.m. launch, NASA officials announced the satellite was in the transfer orbit, ranging from 115 to 22,000 miles from Earth.

Space agency engineers hoped to place the satellite in a stationary orbit Friday morning to await a decision by governors of the International Telecommunications Satellite Organization on whether to permanently park the satellite over the Atlantic or Indian Ocean.

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