

# Jury Gets Cerveny Nursing Home Fraud Case

By JOEL RUDIN  
Union Staff

Nearly four weeks of testimony concluded Wednesday in the Medicaid fraud trial of Westfield nursing home owner William J. Cerveny.

Final lawyers' arguments and the judge's instructions to the jury are scheduled for this morning, and then 12 of the 16 jurors will retire to deliberate on the fate of Cerveny and co-defendant Howard E. Keeler of Holyoke.

Four of the 16 jurors will be eliminated by lot.

The jurors heard one prosecution and two defense witnesses Wednesday, all appearing to rebut previous testimony in the Hampden County Superior Court trial.

The defense witnesses were Clayton F. Moon, of 115 Grove St., West Springfield, retired vice president and manager of the Westfield branch of Valley Bank and Trust Company, and his bank successor, Paul H. Boudo, of 519 Gooseberry Rd., West Springfield.

The prosecution witness was A. Ronald Davis, an investigator for the state Bureau of Welfare Auditing in Springfield.

Moon and Davis conflicted about a June 30 meeting they had about the Cerveny case.

Davis said he met with Moon to find out whether Cerveny had ever told Moon about large transfers of funds he was planning to make at the Valley Bank in Westfield.

These transactions, the prosecution maintains, were the basis for Cerveny's alleged larceny of \$23,000 in state Medicaid funds and attempted larceny of \$49,000 more.

The defense contends Cerveny thought these transactions were legitimate and that he conducted his business openly, informing Moon of his financial plans.

Moon testified earlier in the trial that Cerveny, in 1971, 1972 and 1973, told him each year in advance about the transactions.

Davis, however, said that in his interview with Moon the retired bank vice president said he had never discussed the subject with Cerveny.

Cerveny, 45, of 183 Western Ave., Westfield, is charged with larceny, at-

tempted larceny and perjury.

He owns four Western Massachusetts nursing homes and related holding and service corporations.

The homes are charged with filing false information with the state Rate Setting Commission.

Keeler, 40, Cerveny's controller, is charged with attempted larceny.

There are a total of 21 indictments in the case, which is the first trial of a nursing home owner for Medicaid fraud in the state. Some state officials consider the trial a test case.

Superior Court Judge Samuel T. Tisdale said he thought his instructions and the final arguments by Special Prosecutor Henry A. Moran, Atty. Edward L.

Donnellan, representing Cerveny, and Atty. Elio C. Bellucci, representing Keeler, would take about three hours.

Then the jurors will use the second-floor courtroom for their deliberations. Juries usually deliberate in a third-floor courthouse room, but it has been hot, both in and out of the courtroom, in recent days.

The prosecution contends that Cerveny inflated the bank accounts of his four homes by depositing large checks, drawn from his holding company account, which were not backed by cash deposits.

Cerveny then reported these enlarged bank accounts as cash on hand even though he almost immediately transferred the

money back to the holding corporation.

The Rate Setting Commission, which determines how much nursing homes should be reimbursed each year for the care of Medicaid patients, rewards owners on the basis of the amounts of cash they have invested.

Commission regulations rule out Cerveny's actions,

but he has maintained he was testing the validity of these rules.

According to a commission lawyer and Cerveny himself, Cerveny did not exercise his right to challenge the regulations administratively. As far as the regulations are concerned, the attorney testified, Cerveny's appeals are "in default."



## Wins Contest

Deborah C. Gary, 11, of 405 Franklin St., Springfield, grins after receiving a Book of Knowledge Yearbook, her prize for riddles submitted to the Tell Me Why column in The Union. Deborah, the daughter of Mrs. Juanita Gary, will be attending the seventh grade of Chestnut Street School next fall. Her entries appear on page 55.

# Six Democrats File Papers for Bartley's Seat

It'll be Democrats only, at least on the ballot, during the Sept. 23 primary election to fill the vacancy in the Seventh Hampden state Representative District.

Each of six Democrats filed more than the 150 signatures needed on nomination papers to appear on the ballot in the preliminary election prior to the 5 p.m. Tuesday deadline.

A potential Republican candidate, Carl Haarman of

Holyoke, said Wednesday he missed the filing deadline by five minutes and may run a sticker campaign to become the Republican nominee.

The Seventh Hampden District consists of Ward 3 and Precincts A, B and C of Ward 6 in Holyoke, and Precinct 5 in West Springfield.

The seat became vacant when former Speaker of the state House of Representa-

tives David M. Bartley, D-Holyoke, resigned to become President of Holyoke Community College effective Sept. 1.

The six Democratic candidates who will appear on the primary ballot are:

—John F. Cavanaugh, 24, of 17 Washington St., Holyoke, a teacher at the Maurice F. Donahue Elementary School, Holyoke.

—Thomas E. Griffin, of 341 Linden St., Holyoke, a

veteran Holyoke Alderman-at-Large, and an employee of the Fraudulent Claims Bureau of the state Insurance Division until it was abolished earlier this year.

—Gerald C. LaBelle, 36, of 12 Gilman St., Holyoke School Committeeman-at-Large and a lieutenant in the Holyoke Fire Department.

—Lawrence V. Lajoie, 3d, 22, of 72 Carlton St., Ho-

lyoke, who resigned as Project Liaison for the CETA program just before announcing his candidacy.

—Howard L. Regan, 42, of 381 Brush Hill Ave., West Springfield, a union official at the Piels Brothers Brewery in Chicopee before it closed earlier this year.

—Francis E. Rogers, of 11 Gordon Drive, Holyoke, an employee of the Holyoke Gas and Electric Department.

The winner of the Democratic primary Sept. 23 is virtually assured of election to the post in the final election Oct. 21.

Unless some Republican or independent candidate is willing to undertake the difficult write-in ballot route, the Democrat will not even have any opposition Oct. 21, thus making the final election just a formality.

## Radio Station Sold

Rock radio station WTXL in West Springfield is planning to switch to an all news format, pending Federal Communications Commission approval of its license transfer to two Boston men.

The FCC announced this week it received an application for voluntary assignment of the license from Communications Industries, Inc., WTXL, to U.S. Broadcasting Co.

Howard S. Shulman of Saratoga Springs, N.Y., is president and treasurer of WTXL. He has held those positions since 1967.

A spokesman for Shulman, Nancy L. Cartledge, said Wednesday Gerald Williams, a talk show host for Boston radio station WBZ, and Jeffrey Levitan, also of Boston, are buying the station.

Miss Cartledge said the sale is subject to FCC approval.

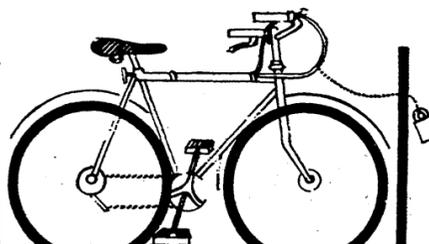
If the changeover is approved, WTXL will be the first Springfield area radio station to go all news. The closest station with an all news format is WPOP in Hartford, Conn., Miss Cartledge said.

Miss Cartledge said she doubted the buyers would receive the necessary federal approval for the license assignment "much before Oct. 1."

If the FCC approval is forthcoming, the radio station, which now has a rock format, will be supplied news through the NBC National News Information Service in New York City, Miss Cartledge said.

The station now gets news from the Associated Press and the ABC Contemporary Network in New York, according to Miss Cartledge.

# back-to-school sale



Go "the separates way"

this season

**Boys' famous jeans & jackets**  
6.47 - 8.97

Tri-blended fabric of polyester, nylon and rayon. Navy, green or rust. Flare-leg jeans with 2 front pockets; 2 patch pockets; yoke back. Rugged construction.

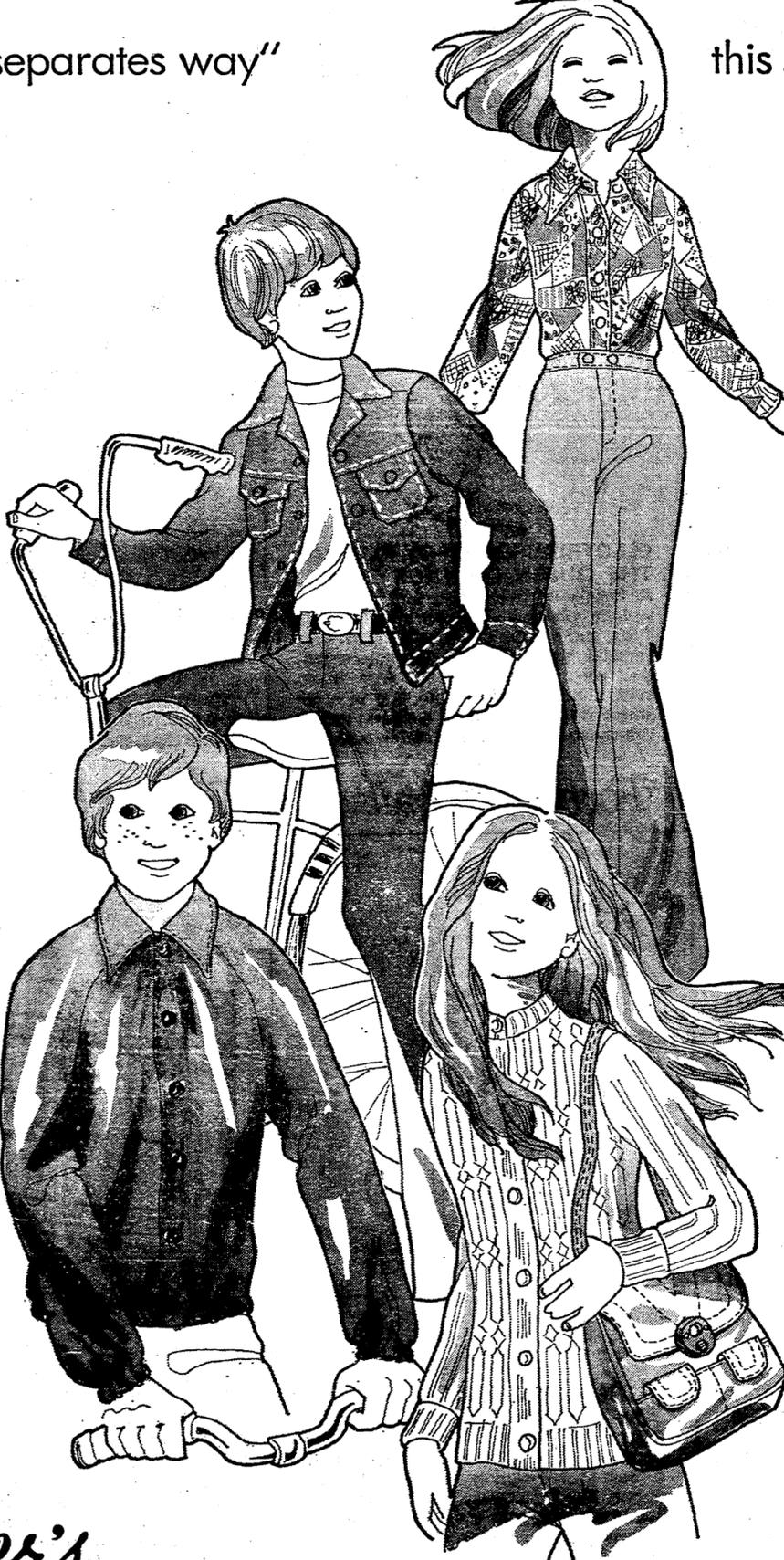
8-12 reg. and slim Reg. 8.50 .. 6.47  
and 25"-28" waist Reg. 10.00 .. 7.47  
Matching western jacket with 2 chest pockets; yoke back; contrast stitching.  
8-18 Reg. 10.50-12.00 .. 7.97-8.97  
Jacket 4-7 Reg. 9.50 ..... 6.97  
Jeans 4-7 Reg. 7.50 ..... 5.47

**Boys' lined nylon jackets**  
5.47 Reg. 7.00

Nylon outershell and cotton lining makes them machine washable and dryable. Navy, red or green with snap front, drawstring waist, self collar. Sizes 8-20. For school and out to play.

NOT SHOWN:  
**Knit shirts and cardigans**  
2.27 - 4.27  
Reg. 4.00 - 5.50

Knit shirts of all cotton or polyester-cotton blend: Mock turtle and turtle necks. Fashion colors. 4-7 Reg. 4.00  
V-neck acrylic cardigan in navy, green, wine, rust. 4-7 Reg. 5.50 4.27



**Girls' nylon & woven shirts**  
5.47 Reg. 7.50

To team up with pants and jeans: long sleeve nylon prints with full placket front and long sleeve woven polyester-cotton floral prints. Assorted colors. Sizes 7-14. Good variety at big savings.

**Girls' jeans**  
6.97 Reg. 9.00

Choose either the brushed denim jeans with rag stitching in camel, navy or hunter green, or woven plaid jeans with extended waistband. Poly/cotton. Sizes 7-14.

**Girls' sweaters**  
4.47 Reg. 6.50-7.00

Long sleeve crew neck cardigan or turtle neck with saddle stitch; long sleeve V-neck pullover. Acrylic. 7-14.

**Favorite handbags**  
2.67 Orig. 3.50-5.00

Select from four popular styles: a quilted casual, denim shoulder bag, suede jean bag with pockets, vinyl shoulder bags with wood trim. Assorted colors.

NOT SHOWN:  
**Smock-top pant sets**  
9.97 Reg. 13.00

Two styles: poly/cotton woven print smock top with green or red corduroy half-boxer pants, or poly/cotton chambray top with appliqued pocket and navy corduroy half-boxer pants. 4-6x.



**WIN A FREE BICYCLE!**

Register now through Saturday, August 30th and you may be the lucky winner of a 10-speed bicycle.