



FOCUS - 12 of 14 DOCUMENTS

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**HEADLINE:** Nash loses firefighters' endorsement;  
She denies poor management

**SOURCE:** Staff Writer of the Arlington Morning News

**BYLINE:** Bob Schober

**BODY:**

The Arlington Professional Firefighters Association withdrew its endorsement of City Council member Barbara Nash Monday following allegations she and her husband engaged in questionable business practices regarding a chain of 16 Texas nursing homes.

The District 1 incumbent has been accused of bankrupting her nursing home corporations to avoid paying creditors and failing to pay back wages to employees.

Mrs. Nash, who has portrayed herself as a fiscal conservative during her two terms in office, denies the allegations initially made in the *Arlington Star-Telegram* this past weekend. Mrs. Nash was a director of some of the 16 corporations but played no role in the day-to-day operations, said her husband, Harold.

"I absolutely, categorically deny ever shifting assets between corporations," Mr. Nash said who managed the facilities. "There's absolutely no proof of that, and I absolutely deny not paying any employee wages.

"We are in a dispute about [employee pay] at one of the facilities."

Mrs. Nash said she wished the association, which represents about 225 firefighters, had not withdrawn its support. But she said she was glad the group will not endorse her challengers, Barbara Carter, Joe Bruner or Craig Smith.

"I'm saddened and disappointed they decided to withdraw their endorsement before allowing me to respond to these false and misleading allegations," she said.

Association president Bill Hindmarsh said the allegations were such that the group's credibility could be questioned for its continued support of Mrs. Nash.

"It was about the overall issue of an elected official that is essentially a steward of public money relative to her own financial background," he said.

Nash loses firefighters' endorsement; She denies poor management The Dallas Morning News May 2, 2000, Tuesday

Mr. Nash started buying the management contracts for the nursing homes in 1995.

Some of the 16 facilities had recurring problems with patient care, said Rosemary Patterson, spokeswoman for the Texas Department of Human Services, which regulates nursing homes.

Mrs. Patterson said inspection problems prompted her agency to deny Mr. Nash's request to acquire a nursing home in Mansfield last year.

"Their history had enough problems caring for residents that we denied them the ability to acquire new facilities," Mrs. Patterson said. "They would fix the problem to get out of the problem, but they had a problem staying in compliance."

Mr. Nash denies the assertions and accused department inspectors of focusing on minor details.

"The most important thing is, when you find a deficiency that puts residents in immediate jeopardy, the state sends in a monitoring team," he said. "That's what we didn't have."

The leases for all 16 nursing homes managed by the Nashes were terminated in February because their corporations couldn't pay them, said Jackie Yellin, who owns the properties.

"I had to protect my properties from someone who wasn't paying the bills," she said.

Mr. Nash said the corporations were unable to pay the leases and other bills because Medicare and Medicaid were slow in reimbursing them. Medicare and Medicaid pay the nursing homes federal reimbursement funds for providing care to qualified residents.

Even though he lost the leases on 16 nursing homes, Mr. Nash said the federal government still owes his corporations almost \$ 4.5 million in Medicare reimbursements.

The Nashes filed for bankruptcy on two of their corporations - Kennedy Health Care Centers and Peoples Nursing Facilities.

"I bankrupted Kennedy because we couldn't make our lease obligations, and the other was forced into involuntary bankruptcy," he said.

SunSolution, an Albuquerque, N.M.-based health care services provider, forced Peoples Nursing Facilities into involuntary bankruptcy for failing to pay \$ 3.3 million in services, Mr. Nash said.

"I understand their anger and frustration and that they want to get paid, but I want to get paid, too," he said.

Some of Mr. Nash's former administrators praised his management of the facilities.

Susan Fox, the current administrator of a nursing home in Vidor, said the facility was always given enough money to provide all necessary services to residents. Spring Seasons of Vidor, Inc. now owns the facility.

"Our residents' care in our facilities was always his No. 1 priority," Ms. Fox said. "If he ever had [financial problems], we wouldn't have known, because we always had what we needed."

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## Councilwoman's business history is suspect

*Colleen McCain Star-Telegram Staff Writer*

Councilwoman Barbara Nash, her husband, Harold, and more than a dozen nursing-home businesses they managed amassed millions of dollars in court-ordered judgments and federal tax liens, public records show. The Nashes' businesses also owe overdue property taxes and unpaid wages to former employees, according to records from the past 20 years. And former residents of a nursing home that was managed by the Nashes' businesses have not received promised refunds, relatives say.

A few of their businesses have gone bankrupt, but the Nashes were able to continue doing business under at least two dozen other corporations. Barbara Nash said that she has not been actively involved in the business of managing nursing homes for several years but that she is a member of the board of directors of some of the Nashes' corporations. However, she said in a brief interview Friday night that she has not played an active role in the companies that have faced lawsuits and liens. Repeated attempts to reach her during the day Friday and again yesterday were unsuccessful.

The Star-Telegram researched the business backgrounds of each of the 14 Arlington City Council candidates. In addition to the Nashes' business difficulties, court records show that District 6 candidate Steve McCollum filed for Chapter 7 bankruptcy in 1992.

McCollum, who built speculative homes, said he tried to avoid bankruptcy but that tough economic times and a delinquent client left him with few options. Barbara Nash, 55, who is seeking re-election Saturday to her District 1 council seat, has centered her campaign on assurances that she is a fiscally conservative steward of taxpayer money. She touts her honesty and her success as a businesswoman.

But many who have done business with the Nashes tell a different story. The Nashes and their companies moved assets from one company to another, developing what attorneys and industry advocates describe as an intricate "shell game," and individual companies filed for bankruptcy when creditors came calling.

Employees of the nursing homes said overdue bills were a constant. Striking deals with vendors and buying time to pay suppliers often was the only way the

nursing homes kept sheets on the beds and food on the tables, the employees said.

"They came in promising improvements and saying they were caring, Christian people, but none of their promises came true," said Kathy York, a former business office manager of a Gatesville nursing home, now closed, that was managed by a Nash company. "What they do to these families is terrible." In nursing homes that were managed by the Nashes, regulators found residents lying in feces, bedsheets sticking to open wounds and evidence of sexual abuse, said an official with the Texas Department of Human Services, which oversees nursing homes.

Complaints in the nursing-home industry are relatively common, but the pattern of problems at the Nashes' nursing homes is unusual and well known to state officials, said Isabel Gibson, the regional ombudsman for the Area Agency on Aging of Central Texas. Gibson said she plans to present details of the Nashes' business practices as a case study in fraud at a training conference this year. "They take an operation and bankrupt it and then open a new business," Gibson said.

Barbara Nash said that she is no longer in the nursing home business, that she is in the real estate business.

"I don't do the day-to-day business," she said.

Barbara and Harold Nash declined to answer specific questions about their business operations.

Although Barbara Nash has not managed their businesses in recent years, she has been a director for several of their nursing center corporations, according to the Texas secretary of state's office. And court documents show that the company that bears her maiden name has also been sued by creditors.

During their 16-year marriage, Barbara and Harold Nash, 53, have managed more than a dozen nursing homes, primarily in small Texas towns, such as Beeville, Dublin and Cuero. In the past few years, they have gradually sold or closed their nursing homes. They closed a nursing home two months ago, and Barbara Nash said they are not managing any nursing homes now. Recently, Barbara Nash has begun to publicly distance herself from the nursing-home business, and when she filed to run for City Council in February, she listed her occupation as real estate administrator.

But the Nashes, who own a house valued by the Tarrant Appraisal District at \$247,000 and an airplane, remain mired in legal disputes stemming from their nursing-home businesses.

In campaign literature mailed to north Arlington households this month, Barbara Nash describes herself as a self-employed businesswoman and says that she and her husband "managed the day-to-day operations of a family-owned health care company with several hundred employees and an annual budget of \$10 million."

When Barbara Nash won a seat on the Arlington school board in 1993, she said she was responsible for overseeing investments for the Nashes' nursing homes and that her experience managing nursing homes had prepared her for public service.

#### The judgments

During the past 15 years, more than a dozen creditors have won judgments totaling about \$8 million against Harold Nash and companies managed by the Nashes, according to court records. Several other civil lawsuits filed against their businesses were settled out of court.

According to the court records, the plaintiffs who won judgments include Tarrant County and the state of Texas, nursing-home suppliers who were not paid for their services and creditors who did not receive rental payments for nursing homes the Nashes leased.

Most recently, SunSolution, a health care services provider for nursing homes, won a \$3.3 million judgment against People's Nursing Facilities. Barbara Nash was listed as a director of the company as late as last week, according to the secretary of state's office.

Barbara Nash disputes that contention and said the state's records are wrong. "I'm not on the board of directors for that company," she said. "It's a lie."

The lawsuit, which was filed in Travis County last year, initially was settled out of court for \$2.6 million. But when People's Nursing Facilities did not make the first settlement payment, SunSolution received a \$3.3 million judgment, said Lisa Vaughn, an attorney for SunSolution.

The Nashes declined to comment on the lawsuit, but Harold Nash emphasized, "this doesn't have anything to do with Barbara."

Eleven days after SunSolution began procedures to collect the \$3.3 million judgment, People's Nursing Facilities filed for Chapter 11 bankruptcy, records show. This bankruptcy case was dismissed, Vaughn said, but court records show that other businesses managed by the Nashes have filed for bankruptcy after a creditor sought to collect money owed.

When creditors attempted to collect payments from Kennedy Health Care Centers and Jewell Enterprises, two businesses for which Harold Nash was an officer, both filed for bankruptcy, according to district court records. Barbara Nash

served as the secretary and treasurer of Kennedy Health Care Centers, according to state records.

SunSolution, which has headquarters in Albuquerque, N.M., has filed a second civil lawsuit against the Nashes' businesses, seeking to collect the \$3.3 million judgment. It has also filed involuntary Chapter 7 bankruptcy for People's Nursing Facilities. The civil lawsuit, which has not been settled, alleges that People's Nursing Facilities transferred many of its assets to other corporations to ensure that the settlement could not be collected.

The original out-of-court settlement prohibited the People's Nursing centers from changing management companies before the settlement was paid. But state records show that those nursing homes now are managed by new corporations, which were formed within the past few months.

"There definitely appears to be a pattern," Vaughn said. "They move their assets to a brand-new corporation and start over."

Most of the lawsuits filed against the Nashes' nursing homes name only Harold Nash and one or more of the couple's corporations as defendants. But Barbara Nash has also been sued.

In 1993, Eastwood Village Associates filed an \$889,000 lawsuit against Barbara Nash; her company, Parrish Enterprises; and Harold Nash. Parrish is Barbara Nash's maiden name, and she serves as president of the company. The lawsuit, which was settled out of court, alleged that the Nashes did not make monthly lease payments for a nursing home.

In an affidavit in that case, Barbara Nash said that she had no knowledge of the contracts in question and that her "husband handled the business." Yet Barbara Nash signed an agreement personally guaranteeing the lease, according to a counterclaim she filed relating to the lawsuit.

The inner workings and precise division of duties in the Nashes' businesses are difficult to determine because their many corporations, which are privately held, literally are a family affair. The only corporation officers named for several of their businesses were Harold and Barbara Nash and daughter Lynne Renfro. Son John Chupp has also been listed as an officer for a few of their corporations.  
Employees and residents

Not only have creditors lined up seeking payments from the Nashes' businesses, but some former residents and employees also say that they are owed money. Former employees of Coryell Care Center in Gatesville, which was managed by one of the Nashes' companies, filed a complaint with the Texas Workforce Commission seeking wages for paid time off that they accrued before the center

closed in February. And the families of Coryell Care residents said they are losing hope of collecting refunds of advance payments they made. Phyllis Harvey of Gatesville said she was forced to dip into her 87-year-old father's dwindling savings when Coryell Care closed, and that the Nashes' company did not refund \$1,300 Harvey had paid for the remainder of the month. "It takes everything he has to pay his bills," Harvey said. "I think it's just terrible that they would do that to old people."

Harvey said she and relatives of residents have called the Nashes' offices repeatedly, seeking their refunds.

"I guess we're just out of luck," Harvey said.

Former employees of Coryell Care Center said they were also shorted by the Nashes' company.

This month, the Texas Workforce Commission said the Nashes' company owes former employees of Coryell Care \$27,722 for paid time off that they accrued. Forty-six complaints were filed by Coryell Care employees, said Larry Jones, director of communications for the Workforce Commission.

If the Nashes' company does not pay the wages owed, the Workforce Commission could file liens against the company's assets. But Jones said that at least two of the Nashes' corporations have been listed as the management company for Coryell Care. If the nursing center's management company goes out of business or declares bankruptcy, the employees will be left with a valid claim but no money, Jones said.

The former employees say they don't expect to see their paychecks soon, if ever. "I trusted them when they said they would pay us, and I stayed until the very last day," said Elizabeth Van Zandt, who was the director of nurses at Coryell Care. "When I called Harold Nash's office about my paycheck, the woman who answered the phone started screaming and hung up in my ear."

State officials said they are familiar with the Nashes' management style. Last year, seven nursing homes managed by one of the Nashes' companies were not in compliance with state and federal regulations, said Debra Green, assistant general counsel for the Texas Department of Human Services.

In some of their nursing homes, regulators found filthy conditions, with residents lying in urine and feces. In others, residents suffered from poor nutrition and were not protected from sexual abuse, Green said.

"There was a pattern of care that would give us concerns about giving them additional licenses," Green said. "This is not the way we expect nursing homes to run."

### The liens and taxes

The Nashes' unpaid bills extend beyond vendors and paychecks to income taxes, payroll taxes and property taxes, county and federal records show. Businesses in which one or both of the Nashes were involved owe about \$32,000 in property taxes, according to Tarrant County tax records. The businesses now are defunct or bankrupt, but the tax bills remain outstanding, Tarrant County tax officials say.

Since the Nashes married in 1984, the Internal Revenue Service has filed more than \$1.7 million in liens against Harold Nash for unpaid income taxes and payroll taxes.

About half of the liens were for taxes due before the Nashes married. But unpaid payroll taxes continued to accrue after 1984.

The liens were not released until the mid-1990s after Barbara Nash won a seat on the Arlington school board.

Less than three weeks before Barbara Nash announced her candidacy for school board in February 1993, Harold Nash filed for Chapter 7 bankruptcy. Details about his bankruptcy are scarce because the file for his case was checked out of the federal archives in Fort Worth in 1997 and never returned. At the time, though, Harold Nash claimed \$1,075 in assets and \$2 million in liabilities, according to the few existing court documents in that case.

Richard Alderman, the Dwight Olds professor of law at the University of Houston, said declaring bankruptcy generally absolves a person of outstanding judgments they owe.

"The judgments are wiped out after a bankruptcy as a general rule," Alderman said. "The creditors usually don't get much."

Staff writers Jennifer Autrey and Jeff Prince contributed to this report.

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PHOTO(S): Head shot of Barbara Nash



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**HEADLINE:** Nash's position disputed;  
Incumbent insists she had limited role

**SOURCE:** Staff Writer of the Arlington Morning News

**BYLINE:** Bob Schober

**BODY:**

In a campaign brochure given voters, City Council member Barbara Nash boasts about previously managing the day-to-day operations of a family-owned health care company.

But her husband, defending the District 1 incumbent against allegations of questionable business practices, insisted Monday only he was responsible for daily operations of 16 Texas nursing homes once managed by the family.

"This has nothing to do with Barbara," Harold Nash said.

The flyer reads "Barbara and Harold previously managed the day-to-day operations of a family-owned health-care company with several hundred employees and an annual budget of \$ 10 million."

Mrs. Nash, who has portrayed herself as a fiscal conservative during her two terms in office, insists there is no inconsistency between the flyer and Mr. Nash's description of her business role with the corporations.

District 1 challenger Joe Bruner, however, accused Mrs. Nash Tuesday of changing her story in the wake of allegations the family bankrupted its nursing home corporations to avoid paying creditors and back wages to employees.

The allegations were initially made in the itaArlington Star-Telegram this past weekend.

On Monday, the Arlington Professional Firefighters Association withdrew its endorsement from the embattled Mrs. Nash. She still retains the support of the Arlington Police Association, Concerned Taxpayers of Arlington, the Arlington Municipal Employees Association and the Texas Public Workers Association.

"It is obvious that Barbara is in this so deep that she doesn't even recognize the truth anymore," Mr. Bruner said. "This is the most blatant abuse of public trust the city of Arlington has ever seen."

Two other District 1 candidates, Barbara Carter and Craig Smith, did not return phone calls.

Nash's position disputed; Incumbent insists she had limited role The Dallas Morning News May 3, 2000, Wednesday

Mrs. Nash said her role with the nursing home was as a corporate officer managing real estate, not operating the facilities.

"The business of a corporate officer is not to control the day-to-day care of nursing home residents themselves," she said, adding she has never been licensed to do so.

Her husband, who is a licensed health-care professional, oversaw resident care and the day-to-day management of the nursing homes, Mrs. Nash said.

Mr. Bruner, an accountant and automobile industry consultant, said her explanation was unacceptable and demanded she resign from the council.

"It is incomprehensible that a person with this kind of pattern of irresponsibility could be trusted with taxpayer money," Mr. Bruner said. "She should apologize, she should resign and she should do it today."

Mrs. Nash said the criticism was unfair.

"It's unfortunate that Joe Bruner is willing to rush to judgment before knowing all the facts," her consultant, Sissy Day, quoted Mrs. Nash as saying during an earlier interview.

"To fall prey to misinformation so easily is naive at best, and certainly not the mark of a good leader.

"I will continue to vigorously campaign to retain my office and honor."

Mr. Nash started buying the management contracts for the nursing homes in 1995.

The leases for all 16 nursing homes managed by the Nashes were terminated in February because their corporations couldn't pay them, said Jackie Yellin, who owns the properties.

Some of the 16 facilities had recurring problems with patient care, said Rosemary Patterson, spokeswoman for the Texas Department of Human Services, which regulates nursing homes.

Mrs. Patterson contends inspection problems prompted her agency to deny Mr. Nash's request to acquire a nursing home in Mansfield last year.

Mr. Nash denies the assertions and accuses department inspectors of focusing on minor details. He blamed problems on the federal government's slow reimbursement of Medicaid and Medicare funds, noting the corporations are owed almost \$ 4.5 million.

Despite problems, Mrs. Yellin also defends Mr. Nash.

"It's ironic that he was forced out of the business because he was one of the best I've ever dealt with," she said.

**GRAPHIC:** PHOTO(S): Barbara Nash

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