

# The power and the money

## Farrakhan prospers as ventures flounder

*A look at businesses linked to the Nation of Islam. First in a series.*

By David Jackson  
and William Gaines  
TRIBUNE STAFF WRITERS

He promises that he alone will lead black people out of poverty.

In the riveting sermons he delivers to packed city stadiums, Louis Farrakhan calls for donations to finance businesses that he vows will uplift the race.

"My bank is the hearts of our people," he said at the recent opening of his \$5 million Salaam Restaurant in Chicago.

From the charity of some of America's poorest citizens, Farrakhan has built an empire of non-profit religious corporations and profit-making firms that stretches from Beverly Hills, Calif. to Bronwood, Ga., and centers on Chicago's South Side.

But in its business practices, the Nation of Islam and companies affiliated with it contradict the minister's bright message of integrity and independence, and belie Farrakhan's vow that he will lead African-Americans to economic power.

Nation-affiliated companies are riddled with debt, failure and



Tribune photo by Milbert Orlando Brown

Louis Farrakhan is the engine that drives the Nation of Islam's far-flung businesses, preaching a message of economic power that attracts donations from some of America's poorest citizens. But the business empire he has built is riddled with debt, failure and allegations of fraud.

allegations of fraud, while Farrakhan, some relatives and top aides live lavishly.

Indeed, while Farrakhan accuses whites of exploiting blacks, his business practices show that he ends up exploiting the very people he says he wants to lead

out of poverty.

Farrakhan, his aides and family did not respond to more than a dozen requests for interviews and information. But land and court documents, government contracts, corporate records and interviews show:

■ Federal tax laws forbid the use of church-owned assets to enrich private companies owned by church officials, but the assets and leadership of the Nation of Islam are in some cases thoroughly intermingled with busi-

SEE NATION, PAGE 16



**Family affair:** Nation of Islam minister Louis Farrakhan claims not to own anything. But, among other things, he and his wife Khadijah (above) hold title to a house in Chicago's Beverly neighborhood.

## Nation

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ness ventures run by its officers.

■ Nation-linked companies and properties are burdened with tax delinquencies and unsatisfied court judgments. The Internal Revenue Service has filed \$354,588 in liens against a Washington-based security company. It is also trying to collect \$93,000 in taxes from a soap company, which owes another \$15,000 to creditors—debts it said in court filings it cannot pay. The Chicago building that Farrakhan calls his Sales and Office Building owes more than \$1 million in property taxes. Three other Chicago buildings carry an additional \$50,000 in unpaid property taxes.

■ Although Farrakhan claims that he personally owns nothing ("All of it is owned by you," he tells his followers), records show that he and his wife own Chicago property and cars.

Millions of dollars flow into the Nation and its associated firms each year from donations, rent, purchases, speaking fees and government grants, although no one outside Farrakhan's inner circle can say exactly how much cash the Nation takes in each year, or precisely where the money goes.

In contrast to churches that publish annual audited financial reports, the Nation's fiscal dealings are shrouded in secrecy.

Overall, the Nation controls at least five separate financial accounts and shares directors and has other ties with a half-dozen private security firms, three companies that sell soap and cosmetics, a publishing company and two clothing firms.

Related companies include a coterie of bean pie shops that blast Farrakhan tapes into city streets from loudspeakers and a clinic that sells an unlicensed drug, which it calls an AIDS cure.

And despite anti-government rhetoric, two of the most lucrative Nation-affiliated ventures—the security companies and the AIDS clinic—have since 1991 won federal contracts worth more than \$15 million.

The engine that drives the entire economic program is Louis Farrakhan, a 61-year-old impresario who quit teacher's college to sing in nightclubs, but dropped that career to follow the teachings and preach the word of Elijah Muhammad, the Nation's first Supreme Minister.

Despite its name, the Nation of Islam is not affiliated with orthodox Islam, whose religious leaders consider Farrakhan's tenets heretical.

Nation ministers teach that their founder, a Detroit silk

peddler named Fard Muhammad, was the embodiment of God and that Elijah Muhammad was a messiah.

Also unlike mainstream Islam, the Nation teaches that white people were "grafted" into existence 7,000 years ago by a scientist who made them inherently deceptive and murderous.

The Nation's membership numbers have been kept secret under both Elijah Muhammad and Farrakhan. Religious scholars, however, guess that there are about 20,000 followers, although estimates have ranged from as few as 10,000 to as many as 200,000.

Farrakhan has patterned the Nation's sprawling conglomeration of businesses and charities after those established by Elijah Muhammad, a tiny, stiff-lipped man who wore a star-embroidered fez and sank millions of dollars into building businesses in the black community.

At its height in the 1970s, court records show, Elijah Muhammad's Nation owned farms in three states, a newspaper that earned annual profits of \$3 million, a Chicago supermarket that cleared \$325,000 on sales of \$1.7 million, a string of small bakeries and cleaners, some 40-odd Chicago-area rental properties and the controlling interest in the Guaranty Bank and Trust Co. on the South Side.

In 1972 followers contributed \$3.7 million to his treasuries, according to an audit done for the Nation.

The empire began to crumble even before Elijah Muhammad's death in 1975, riven by tax debts and internal corruption, and it finally collapsed amid competing probate court claims of his heirs and ministers.

But for all its flaws, the blueprint of Elijah Muhammad was the one that Farrakhan has fastidiously followed. Even when business sense might dictate otherwise, Farrakhan has attempted to repurchase the very plots of land that Elijah Muhammad owned and has named many of his businesses and religious treasuries after him.

Considered by many to be a peerless public speaker, Farrakhan's ear-rattling rhetoric expresses the rage of racism's victims—particularly the young, who feel abandoned by mainstream black leaders.

He articulates a vision of economic promise, one in which princes are raised from the ghetto's hardest streets and downtrodden women are lifted to wealth and majesty.

And by renewing calls to repatriate to Africa, set aside federal land as payment for the toil of slaves, and create a separate, self-sufficient economy, he taps into a

rich and enduring vein of American thought: the dream of a black nation.

Everything about him, from the sheen of his silk suits and alligator shoes to the smooth power of his customized Lincoln Town Car limousine, bespeaks affluence and power.

Like the sermons he culls from biblical passages, the Koran and the lessons of Fard Muhammad, the minister's economic program is an improvised pastiche of ideas and inspiration, and reflects his particular concerns: cleanliness, security and showmanship.

The businesses, however, have not fared well.

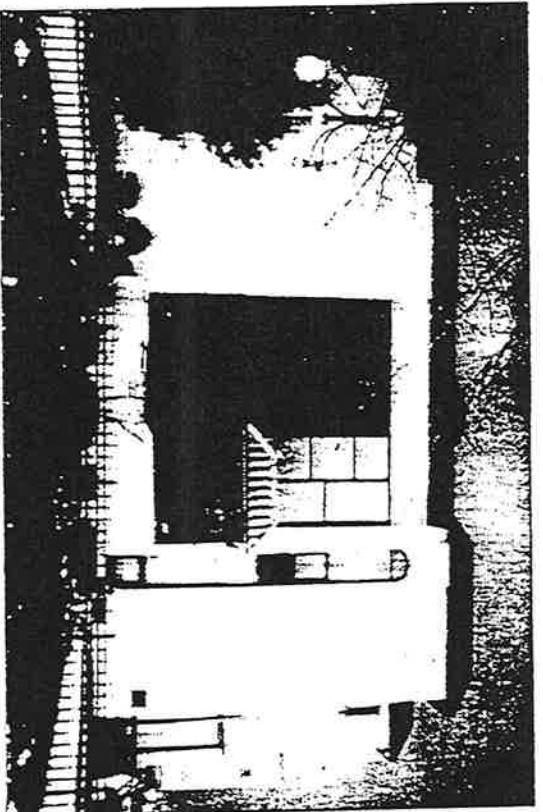
There is, perhaps, no better case study of a Nation of Islam venture than the soap-selling program that once served as the foundation for Farrakhan's economic program.

The soaps, shampoos and lotions are distributed through a complex interplay of companies that drift in and out of business, sharing headquarters and offices; sometimes, but not always, filing state incorporation papers.

Farrakhan named the soap program POWER Inc., an acronym for People Organized and Working for Economic Rebirth. Started with a \$5 million, interest-free loan from Libyan dictator Muammar Gadhafi, POWER was never meant to just sell soap: It was a rallying cry for the birth of a new black nation.

When Farrakhan launched it in 1985, he told a Washington, D.C., audience that POWER would spark "an international movement."

"The time has come. The man



AP file photo

**"The Palace":** Farrakhan lives in this heavily guarded home in Hyde Park. The two-story, steel-and-blond-brick residence was bought from the estate of Elijah Muhammad in 1985 for \$200,000.

has come," he told the roaring crowd. "I guarantee, within five years we will have a billion-dollar corporate entity!"

He urged the audience to join a POWER buying club by donating \$10 upfront and pledging to buy \$20 worth of soaps, shampoos and other products per month.

He mimicked TV commercials in which black people turned to the camera and told America, "I brushed this morning with POWER!"

But soap sales were just the beginning, Farrakhan said. By linking poorly served black consumers with black manufacturers who had been shut out of the mainstream marketplace,

POWER's buying club would lay the foundation for a self-sufficient economy that would soon offer travel services, clothes and all manner of necessities.

With the profits, Farrakhan vowed to accomplish what government programs seemingly could not: create jobs and invest in black hospitals and universities.

But instead, the story of POWER has been a dizzying, decade-long drama of extravagant promises and quiet failures, flight from creditors and impassioned appeals for more cash from the impoverished black Americans who form the core of the Nation of Islam.

Farrakhan has told his faithful

that black Muslim chemists developed the soap formulas and "another Muslim brother who knew the business... helped us set up the factory."

But at least one of the products, Aloefresh soap, is made and packaged by a white-owned company in Memphis, then shipped to the Nation's South Wabash Avenue warehouse, according to court records and interviews.

"We developed it for them," said Ken Curley, regional sales manager at Memphis soap-maker Valley Products Co. "They told us what they wanted in it, and how they wanted it to perform, and we developed the formula."

Farrakhan's original partner in the deal, New Jersey-based marketing analyst Alphonza Wellington, said he's not sure how Gadhafi's \$5 million was used.

Wellington said he bailed out of POWER in 1985 because Farrakhan refused to share control. Farrakhan "wanted POWER to be under the Nation, so that it would be totally controlled by the Nation," he said.

"That was not what we had agreed to. We thought it had to be independent," Wellington said. "As a business, once you put it under the church, it has other issues that take priority."

To produce the first line of soaps and shampoos, Wellington had hired up one of his consulting clients, black cosmetics giant George E. Johnson, founder of Chicago's Johnson Products Co.

But Farrakhan's speeches, laced with venomous anti-Semitism and praise for Gadhafi, outraged and alienated many of Johnson's dis-

tributors. In October 1985, although he had never received a single order to make a bar of soap, Johnson issued a statement formally ending his relationship with Farrakhan.

It was not until several years later that Johnson finally saw a sample of the hair conditioner.

"I was surprised," Johnson said in a recent interview. "It was in a big-sized, opaque plastic bottle, and I wondered to myself who was making it.

"I thought, if it was a black-owned company, I would have heard about it."

The soaps, shampoos and hair pomades have been nearly invisible in the highly competitive black-oriented hair-care market. In most cities, they are found only on the shelves of Nation bookstores, beside bean pies and books calling the Holocaust of World War II a hoax.

"If two or more customers ask for a product, we get it right away. But nobody has asked for POWER," said Cheryl Washington, manager of Eboni Affair Beauty Supply Center, one of more than two dozen Chicago-area black-oriented beauty suppliers interviewed.

Farrakhan's Final Call newspaper describes POWER as "a Nation of Islam business venture," and his ministers use their pulpits to pitch the soaps and urge mosque members to sign up as independent distributors.

But POWER products have been distributed by two for-profit companies whose officers are members of Farrakhan's family, court and corporate records show.

One, called Dinar Products, was created by Farrakhan's daughter, Nation minister Donna Muhammad, and her husband, Leonard Searcy Muhammad, the Nation's chief of staff.

Dinar was not officially incorporated until 1993, but by then it had been quietly operating for at least five years and had accumulated nine court judgments for unpaid bills totaling more than \$20,000. Cook County court records show.

The other company, Nationway Ventures International, was created in Chicago in 1987. Its officers are Searcy Muhammad and Kamal Muhammad, the Nation's national secretary, who is married to another of Farrakhan's daughters, Hanan.

Since 1989, Nationway has been sued 10 times for not paying bills. As a result, it has accumulated, but not paid, court judgments that totaled more than \$15,000.

By April 1993, the company couldn't meet debts to suppliers and hadn't paid rent for several months, court records show, and the Internal Revenue Service was preparing to seize its bank accounts to collect \$93,000 in unpaid payroll taxes.

In response, Searcy Muhammad signed legal documents turning Nationway over to a white-owned business liquidation service headquartered above a fast-food restaurant on Division Street.

Then, a few weeks later, a new company with a similar sounding name—Nationway Ventures International Group, run by Searcy Muhammad's brother Franklin D. Searcy—opened in the dingy, unmarked South Side warehouse that Nationway and Dinar shared, and it began to distribute the soaps.

In federal court papers filed in June 1993, an IRS attorney called the purported liquidation "a sham ... to evade the payment of taxes."

Business at the warehouse on South Wabash Avenue, IRS attorney David Newman wrote, "has continued as usual."

The IRS is still trying to collect the \$93,000, and Nation ministers still sell the soaps with the provocative slogan, "POWER, at last ... forever!"

Even as businesses such as POWER falter, the Nation's relentless extraction of donations has enabled other companies to spring up—and Farrakhan and his family to live in luxury.

Followers who contribute \$12 to one of the accounts, the No. 2 Poor Treasury, mailing their checks to Farrakhan's Hyde Park home, are sent a T-shirt that depicts Farrakhan saying: "Your day of running black people is over!" or, "I, Louis Farrakhan, will never bow down!"

Named after mosque No. 2 in Chicago, the Poor Treasury is de-

signed to "further the progress of the Honorable Minister," according to Final Call advertisements. The money in the Treasury is controlled by Farrakhan exclusively, land records show.

In December, the Poor Treasury Trust purchased a 77-acre Michigan retreat for the minister's use, with a single-family home and red barn tucked behind a tree-lined driveway. Land records did not reveal the purchase price but show that Farrakhan, as trustee, obtained a \$350,880 mortgage to complete the deal.

The Poor Treasury also paid for a new Range Rover in September 1990; the car was titled to Farrakhan as a co-owner with the Treasury.

Followers who contribute \$100 to the Poor Treasury and send in a full-page, handwritten "letter of love and appreciation" for Farrakhan can have their letters "beautifully bound" and placed in the minister's library, a Final Call advertisement said.

Farrakhan's library is in a heavily guarded home on South Woodlawn Avenue called "The Palace" by his followers.

The two-story, steel-and-blond-brick residence with vaulted ceilings, stained glass windows, an underground garage and internal elevator was purchased by the mosque in 1985, land and city building department records show. Bought from the estate of Elijah Muhammad for only \$200,000, it cost more than \$300,000 to construct in 1972.

The Farrakhan family's second "Palace," in Phoenix, is a plush two-story brick building with a splashing fountain on its thick front lawn. Sprawling across three city lots, the Phoenix home was acquired by the mosque from Eli-

jah Muhammad's estate for \$125,000 in 1985.

But on a 1986 building permit application, Farrakhan daughter Maria Muhammad is listed as the owner. One of Farrakhan's sons, Joshua Nasir Hussain Farrakhan, lived there while he jetted back and forth to his Chicago job as a Final Call administrator. 1992 Maricopa County court records show. A maid lived on the premises, county voting records show.

Meanwhile, Farrakhan's Phoenix followers were forced to hold mosque services on the move. They attempted to buy and convert a local mini-mart in 1987, putting down \$500 and obtaining a \$53,000 loan, but they quickly defaulted on the loan payments and had to abandon the property, land records show. After a series of relocations, they were recently using a mall theater that was being foreclosed on.

At an April 1994 dinner reception in Toledo, Farrakhan asked each follower to give \$600 to a building fund headquartered at his home.

"What did I want the money for?" he asked his audience. "Do you know that Farrakhan owns nothing? Did you know that? I'd like to tell you that. There's not one piece of property in existence that has my name on it."

He said: "That's a man you can trust. . . . That to my mind is what leadership is all about."

But Farrakhan's name is on at least three chunks of Chicago real estate as well as two luxury cars.

The regal, gray stone mansion, with the blue-and-white trimmed awnings at 9415 S. Damen Ave., is titled to Farrakhan and his wife, Khadijah, who is also known as Betsy, land records show. Some of Farrakhan's children live there, but the heating bills are sent to POWER at the South Wabash Ave-

nue warehouse.

Also titled to Farrakhan personally are a Mercedes-Benz 500 SEL sedan that he bought in West Germany and had flown to O'Hare Airport in 1985, and a silver, four-door Lexus LS 400.

Farrakhan's wife owns an office and apartment building at 723 W. 79th St., where the Nation's central bookstore and other companies are housed, court and land records show.

Farrakhan's personal guarantee enabled one of his daughters, Minister Donna Muhammad, to obtain a \$71,000 mortgage and buy two South Side bungalows in 1991, federal housing department records show. The heating bills on one of the homes, at 8919 S. Morgan Ave., have also been sent to POWER.

As he appealed for funds that evening in Toledo, Farrakhan berated his audience for their lack of racial pride.

"If I don't see new faces and new people, this is a waste of time," he told those who paid \$50 a plate to attend.

"These are the ones that sell the newspapers, these are the ones that are giving charity. Why go back to their pockets, when there's a pocket out there big enough to support everything that we want to do?"

Next: Patrolling public housing.

**The pursuits and activities of the Nation of Islam**

Millions of dollars flow into the Nation of Islam and its associated firms each year through a maze of religious corporations and businesses. Some of these are listed below. Separating the assets and authority of the religion from the profit-making ventures of its officers is sometimes impossible.

**SOME RELATED FOR-PROFIT FIRMS**

● **SECURITY**



**NOI Security:** Various corporations by this name have been founded by church members in Baltimore, Washington, D.C., and other cities. They have garnered federal contracts worth more than \$7 million since 1992.  
**New Life Self Development Company:** The Chicago security company has two contracts, worth \$2.3 million, to patrol public housing complexes.

● **SOAPS AND COSMETICS**



**Nationway Ventures International Ltd.:** Founded in 1987 and run by two of Farrakhan's sons-in-law. Distributed soap and skin-care products.  
**Nationway Ventures International Group Inc.:** Successor to Nationway.  
**Dixie Products Inc.:** Another company that distributes soaps. Was run by Farrakhan's daughter and son-in-law.

● **MEDICAL**



**Per Ankle Inc.:** Distributes pharmaceuticals promoted by church; run by Farrakhan's son-in-law and chief of staff, Leonard Searcy Muhammad.

● **MEDIA**



**Omnipotent Enterprises:** Markets Nation-affiliated tape groups. Farrakhan's son, Minister Mustafa F. Muhammad, is vice president.  
**MVC Records:** Markets tapes of Farrakhan's speeches.

● **FOOD**



**Salsam Enterprises Inc.:** Formed in 1994 to own and operate a restaurant. Farrakhan's son-in-law and National Secretary Kamal Muhammad is an officer.  
**Year Supermarket Inc.:** Formed to run a food store for church-approved foods, is not yet opened.  
**Blue Seas Chicago Inc.:** Formed by Searcy in 1985 to sell fish and operate bakeries and restaurants, dissolved in 1992.

● **CLOTHING**



**Newell Apparel Inc.:** Founded in 1993 by Farrakhan's daughter Khadijah to make and sell women's clothes.  
**Fashions Corp.:** Founded in 1990 by Farrakhan's assistant minister, Ishmael Muhammad, and his wife. Sells clothing to members.

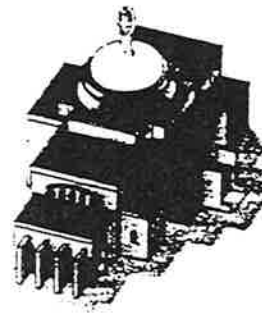


**NATION OF ISLAM**

African-American religious and nationalist movement. It was formed in 1930 and has been led since 1978 by Louis Farrakhan.

**LOUIS FARRAKHAN**

Leader of the Nation of Islam. He oversees the organization's affairs.



**NOT-FOR-PROFIT RELIGIOUS ORGANIZATIONS**

● **FINAL CALL INC.**

Formed in 1985 to spread the religion through newspapers, books and tapes.



● **MUHAMMAD UNIVERSITY OF ISLAM INC.**

Formed in 1990 to run the Nation's school.



● **MOSQUES**

In cities across America, the Nation of Islam has incorporated individual mosques, and these raise money, own property and conduct businesses.

● **MUHAMMAD STUDY TEMPLE OF ISLAM INC.**

Formed in 1985, based in Chicago and run by Farrakhan, it controls all Nation of Islam religious functions.

**RELATED NOT-FOR-PROFIT FOUNDATION**

● **THE ABUNDANT LIFE CLINIC FOUNDATION**

Clinic based in Washington, D.C., and run by Farrakhan's national health minister. Promotes unlicensed AIDS treatment. Received \$570,000 in federal grants to treat AIDS patients.



**FUNDS OF THE CHURCH THAT SOLICIT CONTRIBUTIONS**

**No. 2 Pear Treasury Fund:** Controlled exclusively by Farrakhan. The treasury owns a home and auto that he uses.  
**NOI Building Fund:** For real estate acquisition and construction.  
**Three-year Economic Fund:** Raises money for farm purchases and other property in support of Nation-affiliated businesses.  
**Savior's Day Fund:** Pays for conventions and rallies.  
**National Center Fund:** Has been used to purchase property and to support Farrakhan's speaking engagements.



Sources: Court and corporate records, Nation of Islam publications

Chicago Tribune/Rick Fuma, Terry Webster

# On Georgia farm, Nation of Islam

BRONWOOD, Ga.—His face streaked with tears and dust, 94-year-old William Smith Muhammad surveyed the farm he will cultivate for Louis Farrakhan.

"I been here praying 20 years to get this back and, thank Allah, we got it," he said.

For about two years, Farrakhan has told his followers that he was going to buy back a 3,800-acre farm once owned by the Nation of Islam. The November 1994 purchase of less than half the farm has been the centerpiece of Farrakhan's newest economic drive. He said in a speech last month that he will soon acquire a million acres to grow crops to sell in black-owned groceries.

For Farrakhan, whose newspaper said the farm had a canning factory and a dairy plant, the purchase was a vivid symbol of black economic power in the old heartland of slavery.

"We must stop depending on others to do for us what we

could, what we should and what we must do for ourselves," he said.

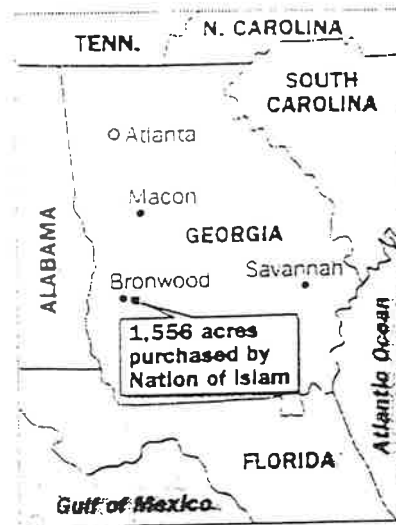
But to walk the Nation's fields is to see in one glance a dream that failed and its reincarnation a decade later.

The "canning factory" is actually a small cinderblock shed, littered with cardboard boxes, rusted cans and rain-soaked labels reading "Your Sweet Peas."

"We called it a canning factory, but it was just a bunch of people lined up passing cans," said Ibrahim Pasha, a former Nation minister who lives in Atlanta.

The long-idle dairy house, its rusted pipes running to broken cement troughs, is on a section of land that Farrakhan didn't buy, but hopes to acquire one day. The three 70-foot-high grain towers pictured on Nation fundraising ads are also on land the Nation doesn't own.

The farm was a financial debacle during the 1960s and '70s when the Nation owned it,



draining money from the group's followers, according to records and interviews.

At the height of its operation, in 1972, this and other Nation-run farms lost \$682,000, a Pittman

## happily seeks

& McKeever audit done for the Nation in 1973 showed.

"We had no farmers who knew how to manage the acres," said former Nation minister Sidney Shariff.

"They tried to grow without irrigation, and even good farmers would fail under those conditions," said Bobby Jackson Locke, who farmed the land as a leaseholder until the Nation bought it in 1968, then served as Terrell County's agricultural agent. He now runs a diversified local farming business.

Farrakhan said last month that banks would not lend the Nation of Islam money to buy the farm. Instead, his Final Call newspaper urged readers to send "every penny, nickle, dime, dollar, hundreds of dollars, thousands of dollars that you can spare."

He bought 1,600 acres for \$1.3 million in November 1994, putting down about \$500,000 and borrowing \$850,000 from the seller at

## to replot old ground

10 percent interest. His land-holding company is scheduled to actually take title in 20 years, county records show.

By contrast, eight years ago the entire 3,800-acre farm was sold to a local man for the same price of \$1.3 million. That man's children sold part of it back to the Nation of Islam.

The children sold the timber rights to a box company that clear-cut the farm; land records show. Under the current deal, they still retain the right to a peanut growing quota assigned to the farm.

William Smith Muhammad, who managed the farm for the Nation, said the section Farrakhan is buying back is not the choice part of the farm.

"It has been stripped," Muhammad said. And much of it is choked with a chest-high, perennial weed called Johnson grass.

But, Muhammad said, "Whatever Louis Farrakhan wants done

on the farm, this Brother William is glad to do it."

He added, "I won't have no trouble getting help. ... We want to put black people to work, put food on their table."

Muhammad lives at the end of a rutted dirt road in a one-room trailer with a goat tethered to the wall outside. Above his bed is a photograph of Farrakhan.

He survives by selling fruit and Final Call newspapers from the 1952 International van that sinks into the mud outside his trailer.

Muhammad said he learned farming from his father, a former slave who fled from Mississippi to Canada. He has been following the Nation of Islam's leaders "as long as they been teaching," he said.

He calls Farrakhan his "beloved."

"I give my life to him," Muhammad said.

David Jackson

# South Side restaurant offers menu of promise

Early some mornings, the mih- isler would arrive unannounced at the construction site and peer over the shoulders of his carpenters and plumbers, watching as they fit together the pieces of his dream.

"If he could have, I think he would have done the masonry himself," said Lloyd Gordon, the consultant who helped Louis Farrakhan build the newly opened Salaam Restaurant on West 79th Street.

Amid his fretting speaking schedule, Farrakhan would "appear in my office, at the job site," said Wendell Campbell, Salaam's architect. "You could almost expect him anytime and anywhere."

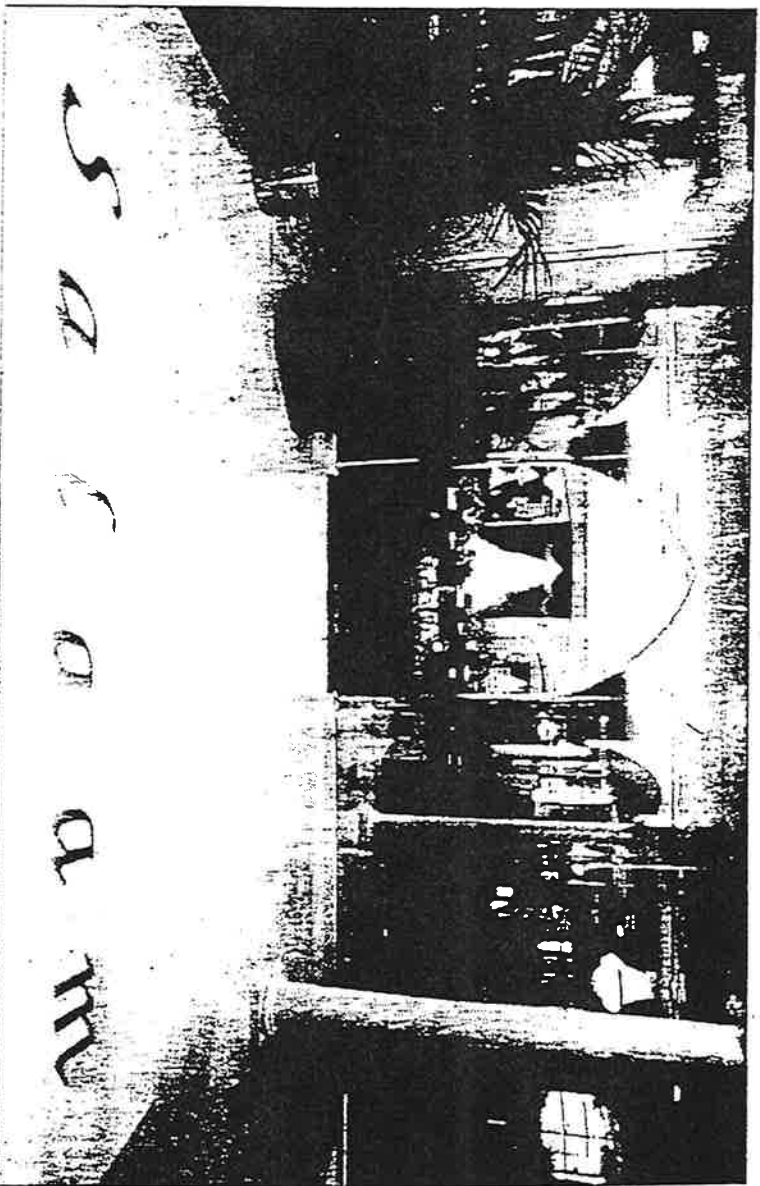
"He was determined to see he did not fail."

Farrakhan started building Salaam in 1985, but construction ground to a halt in 1987 when subcontractors filed seven liens claiming they had not been paid. In 1988 the building was nearly sold at a court auction to repay \$122,802 owed to the company that installed the precast concrete outer walls.

Farrakhan came up with enough cash to keep the Nation of Islam's creditors at bay, but until 1993 the cement shell remained empty.

Farrakhan said he completed the project by pouring in about \$5 million that came from "believers and sympathizers who gave their hard-earned dollars that we could open this restaurant."

The long-promised opening has struck the Nation's brightest hope of economic promise.



Illume photo by Ovie Carter

**Recipe for success:** The recently opened Salaam Restaurant on West 79th Street is intended as a prototype for future Nation of Islam endeavors. "This is a blueprint for economic development and investment in our neglected communities," Farrakhan says.

"This is a blueprint for economic development and investment in our neglected communities," Farrakhan declared at Salaam's unveiling.

"Black people, we love you," he said. "This is your palace. Come here to be treated like the kings and queens that you really are."

During a lunch hour last week, the carry-out counter was lined with customers and curiosity

seekers. Harried workers did their best to replenish trays of macaroni and canned corn, and to keep the fried fish and chicken glowing under heat lamps.

The construction was done at such a fast pace that only one of the three restaurants in the complex, the bakery, had a city license when Salaam opened officially in February.

The fine dining and carry-out

venues won city licenses in March.

Some subcontractors are fighting to collect on bills they say total more than \$100,000.

"They were under tremendous pressure to get this building open," explained civil engineer Jamie Arnette, who said he is still owed about \$1,200 for retie-sing the stairs.

David Jackson



## Farrakhan's inner circle

The following are key officers in the religion as well as the private businesses affiliated with the church. In addition to non-related members, several of Farrakhan's nine children make up the inner circle.

• • • • •  
**FARRAKHAN'S FAMILY**



**Leonard Searcy Muhammad**

**Leonard Searcy Farrakhan Muhammad, 49**  
(Son-in-law)

● Nation's chief of staff and an officer of several Nation-affiliated businesses.

**Kamal Hughes Muhammad, 34**  
(Son-in-law)

● Nation's national secretary. He has been an officer in several religious corporations as well as for-profit ventures. He is married to Farrakhan's daughter Hanan Iris Farrakhan.

**Donna Muhammad, 39** (Daughter)

● A Nation minister and an officer in a soap distribution company. She is married to Leonard Searcy Farrakhan Muhammad.

**Betsy Jean Farrakhan Muhammad, 41**  
(Daughter)

● Captain of the Muslim Girls in Training and also a director of for-profit clothing store.

**Khadijah Farrakhan Muhammad, 59**  
(Wife)

● Nation of Islam's "First Lady." She is president of a clothing company whose purpose is indoctrination of the Nation's religious principals through the manufacture and distribution of modest apparel for women.

**Mustapha Farrakhan, 35**  
(Son)

● Assists with security as the Nation's assistant supreme captain. He is vice president of a for-profit company that markets Nation-affiliated rap groups from a mosque-owned building.

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**IN ADDITION TO FAMILY**



**Ava Muhammad**

**Ava Muhammad, 44**

● Nation minister, its attorney and Farrakhan's administrative assistant. She has served as officer and attorney for many of its for-profit businesses.

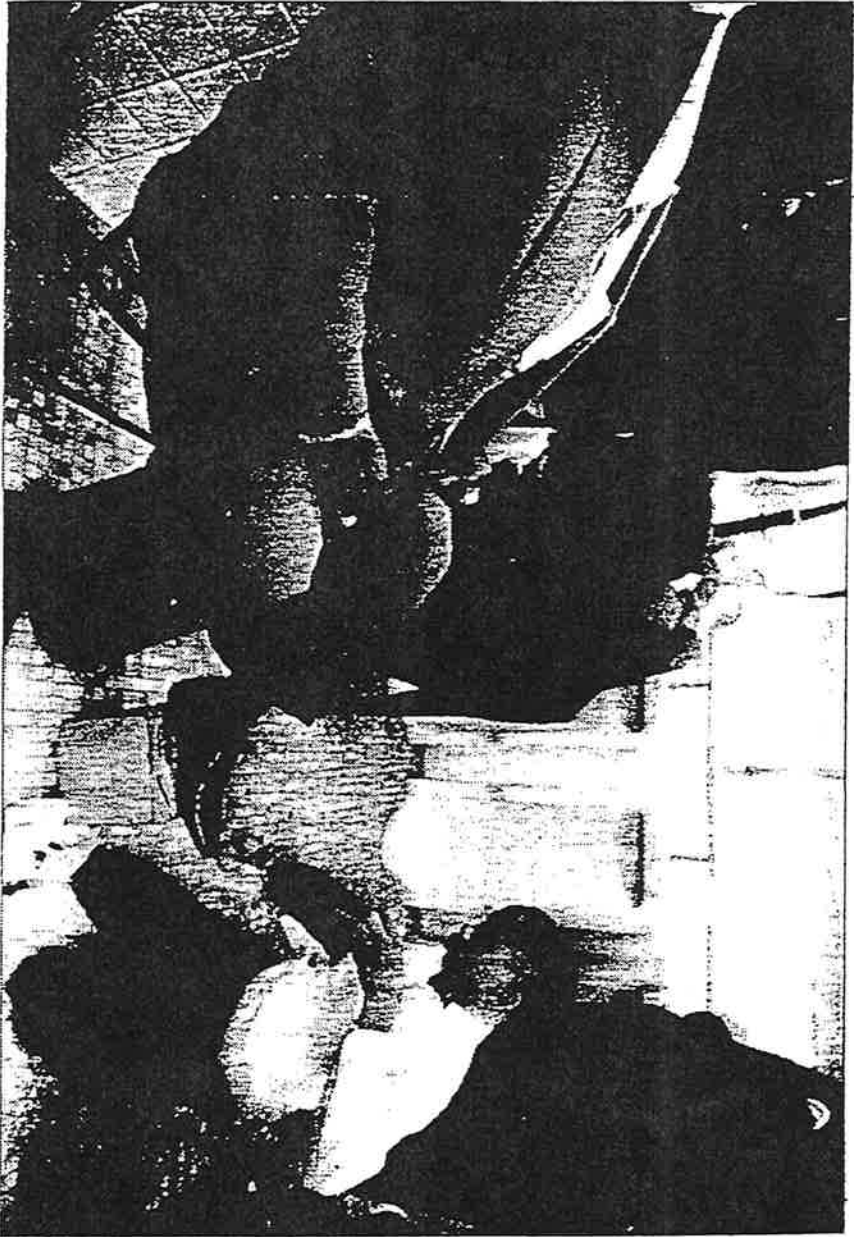
**Abdul Akbar Muhammad**

● Farrakhan's international representative. He was an assistant minister to Malcolm X in the 1960s and has been one of Farrakhan's closest aides.

**William Muhammad, 42**

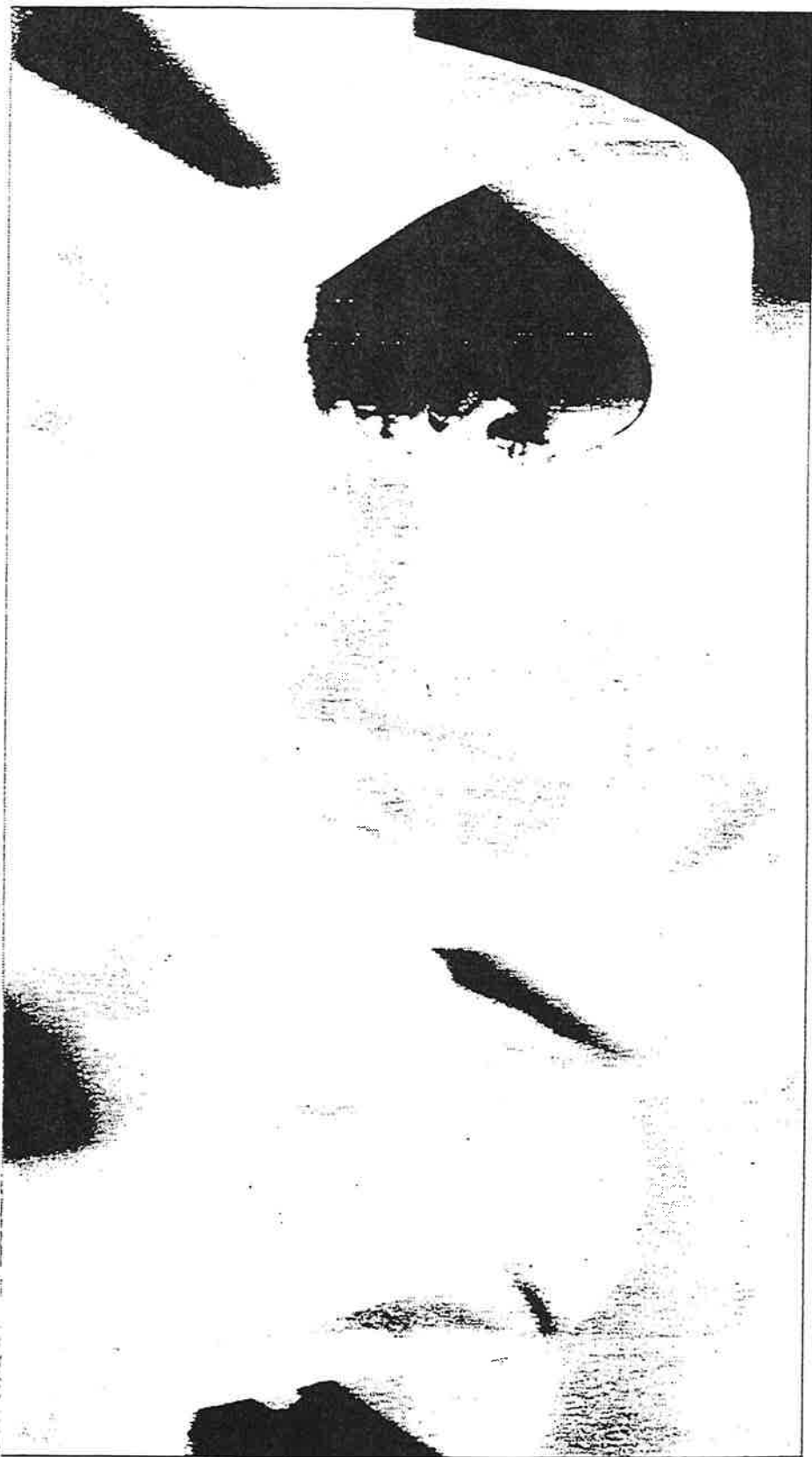
● Supreme captain, in charge of the Nation's internal paramilitary security force. In 1990, he founded NOI Security Agency Inc., a for-profit security business.

Sources: Birth, marriage, court and driving records, Nation of Islam publications, tapes and speeches.



**Tribune photos  
by Milbert Orlando Brown**

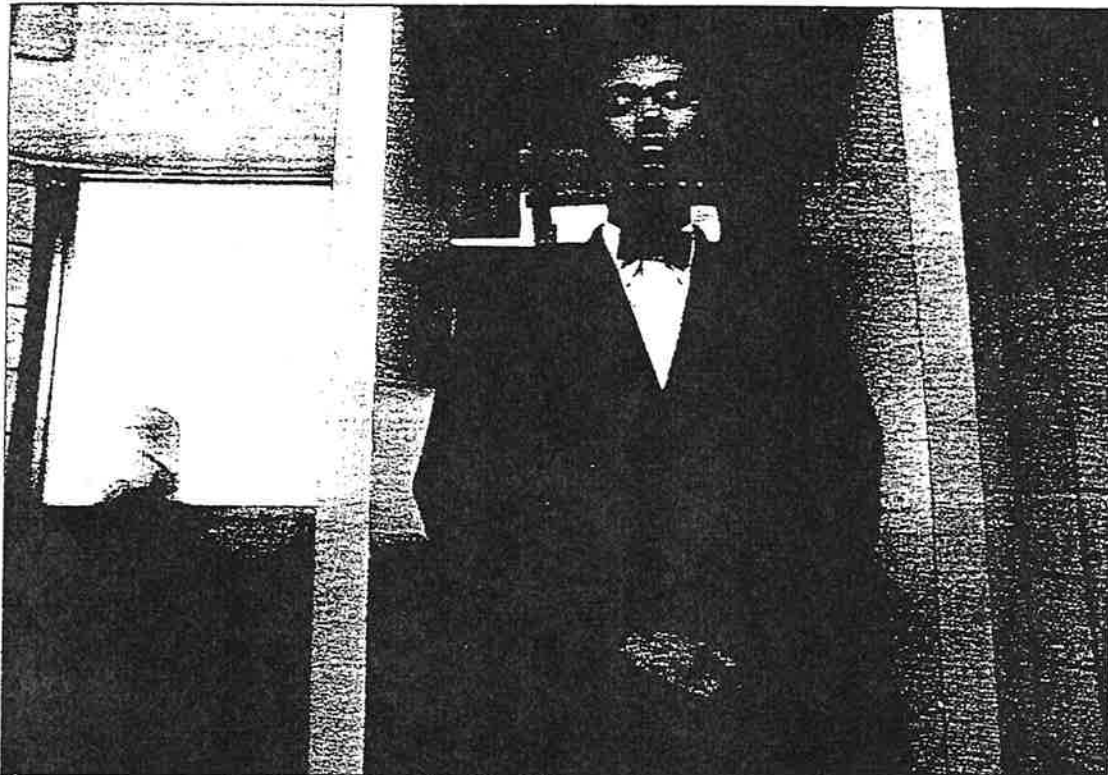
## PROFIT AND PROMISES



**The faithful:** From the charity of his followers, many of them poor, Farrakhan has built his empire. Above, a woman at a recent Nation of Islam service. Outside the same service, Jason Muhammad shines shoes.

# The business of security

Political power and connections have helped create a multimillion-dollar security enterprise that benefits Nation of Islam leader Louis Farrakhan's family and top aides



Tribune photo by Milbert Orlando Brown

A guard affiliated with the Nation of Islam stands in the Rockwell Gardens on Chicago's West Side. Some guards recently complained of unpaid overtime and threatened to quit.

## Nation-linked guards earn tenant distrust

*A look at businesses linked to the Nation of Islam. Second in a series.*

**By David Jackson and William Gaines**  
TRIBUNE STAFF WRITERS

At a meeting in 1993, Nation of Islam leader Louis Farrakhan approved a deal that helped rescue Chicago Housing Authority Chairman Vince Lane from a personal financial disaster.

At the same meeting, Lane says, he and Farrakhan discussed a separate deal that

soon led to more than \$2 million worth of CHA contracts for a fledgling security company with ties to Farrakhan's family and the Nation of Islam.

For Lane, the timing of the negotiations casts a pall over his otherwise sparkling reputation as a reformer who has drawn national attention for suggesting some of Chicago's public housing projects be torn down.

By mixing his personal business with official duties in a private meeting, Lane is vulnerable to charges of conflict of interest, although he says he has none.

But more intriguing is the light the deals shed on Farrakhan as a businessman.

His meeting with Lane offers a rare glimpse into how he and the Nation of Islam have

used political power and connections to create a multimillion-dollar security enterprise that benefits Farrakhan's family and top aides.

Chicago is not the only city where Nation-linked firms have security contracts, and providing security is not the only business linked with the Nation. Over the past decade, Farrakhan has built a financial empire of affiliated companies that range from bean-pie shops and bookstores, to a soap and cosmetics arm.

But government-funded security services are the most lucrative of the Nation-linked ventures.

Although Farrakhan and Nation of Islam officials have refused numerous requests for interviews, federal housing records show that since 1991,

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# Nation

(CONTINUED FROM PAGE 1)

Nation-affiliated security firms have won more than \$15 million in federal contracts to patrol housing developments in nine cities, including Los Angeles, Philadelphia, Pittsburgh, Baltimore and Washington, D.C.

In Chicago, the Nation-affiliated New Life Self Development Co. received \$2.3 million in contracts to patrol two small public housing complexes on the West Side, as well as Rockwell Gardens, one of the city's most dangerous developments.

To those who live in the public housing projects of Chicago and other cities, Nation-linked companies have brought controversy. The firms hire convicted felons and sometimes leave buildings unguarded and residents less safe than before, according to records and interviews.

"There is no safety in this building now," said Francine Lomax, 26, who has been raising her six children in a Rockwell Gardens high-rise for six years. "I very seldom even see the guards, so I don't let my kids out of the apartment. I don't let them play on the walkways, they don't ride their bikes."

And the Nation-linked businesses contradict Farrakhan's message of independence. In fiery sermons he calls the U.S. government "wicked" and urges blacks to separate from America. Yet Farrakhan and his aides bargain for dollars from the very government he denounces.

The security contracts have enabled Farrakhan to present himself as a bold social reformer. Who else, he argues, has so squarely confronted the violence and social chaos that tear through the heart of inner-city projects?

"What is it about us," Farrakhan asked in a speech last year, "that we can go into a dope-infested housing project ... with no guns, and the crime rate goes down, the drug pushers leave and mothers who are rearing their children in the absence of men find safety and security for them and their children under the influence of unarmed Muslim patrols?"

The deals that put New Life in charge of Rockwell's security started with a series of negotiations between Lane and Farrakhan's son-in-law and chief of staff, Leonard Searcy Muhammad.

At the time, Lane was in a jam. As a private businessman, he had developed the Continental Plaza mall on the South Side, but by 1993, the mall was drowning in debt. Banks were suing Lane to collect more than \$3 million in unpaid loans, and he desperately needed an anchor tenant.

Lane says Searcy Muhammad approached him and the two soon were involved in talks about the vacant supermarket space that dominated the mall. Eventually, Searcy Muhammad agreed to a \$10,000-a-month lease to install a grocery there. The store never opened and no money changed hands, Lane said, but he said having the signed lease in hand helped him restructure his debts and avoid foreclosure.

At the same time, Lane says he and Searcy Muhammad talked about some CHA security contracts for the New Life security company, which also is run by Searcy Muhammad.

Lane said he asked Farrakhan's son-in-law if the proposed security company and supermarket were arms of the Nation of Islam, and Searcy Muhammad told him they were not.

Nevertheless, Lane said it was essential for him to have another meeting in which he sat down with Farrakhan to get final approval of both deals.

"I wanted to make sure that he [Farrakhan] would support it," Lane said. "I wanted to know whether he was opposed to it. He said absolutely not."

Lane said he had no conflict of interest in acting as both CHA chairman and as a private businessman during his discussions with Farrakhan and Searcy Muhammad.

The security and supermarket deals were "totally unrelated," he said. "I'm not ever going to give anybody anything where the CHA is not getting the most for their money."

The security contracts were reviewed independently at the CHA. But the CHA official who oversees them, Private Management Administration director Bettye Vance, is also a partner in Lane's Continental Plaza shopping mall, records show.

Vance said she had no conflict because she "wasn't directly involved in any of those negotiations."

Lane said he hired the New Life guards because he hoped they would restore the shattered trust between public housing tenants and his administration.

"They turn people around," he said. "They tell people who are mad at government, the establishment and white people to stop moaning about what somebody



Tribune file photo

**Business boost:** Chicago Housing Authority Chairman Vince Lane was being sued for \$3 million for unpaid loans. Through a Nation official's promise to lease his property, Lane was able to restructure his debts.

hasn't done for you and get up off your ass and do something for yourself."

At the time, New Life was incorporated but it didn't have a state license to provide security services and no previous contracts to list in its bid application.

Lane gave New Life an extraordinary boost. He put Searcy Muhammad in touch with partners who would enable the company to function.

"When they first talked to me about security and management, I said ... yeah, I'm willing to take some risks, but you've got to get yourself partnered up," Lane said.

He said he introduced Farrakhan's son-in-law to Young Pate Jr., whose Citywide Detective Agency had contracts with the CHA and also had patrolled Lane's Continental Plaza mall, at 76th Street and Racine.

At the time, Lane's mall company owed Citywide \$195,494, court papers Pate filed in 1994 show.

Searcy Muhammad submitted bid documents describing New Life as a "branch office" of Citywide, enabling the nascent firm to meet state licensing requirements.

Lane then sent Searcy Muhammad to the real estate company of William Moorehead & Associates, which already managed five CHA housing projects. They created a joint venture with New Life to provide security for, and to manage, Rockwell Gardens.

Finally, Lane put Searcy Muhammad in touch with A.T. Hopkins, who ran a South Side supermarket company. Searcy Muhammad "was going to have Hopkins run the store" at the mall, Lane said, "so it's not like you'd have total novices."

Security pacts with firms tied to the Nation of Islam are the subject of a congressional probe led by Rep. Peter King (R-N.Y.), who has accused the government of financing the Nation of Islam through the contracts.

At a March 2 hearing, U.S. Housing Secretary Henry Cisneros said his staff's limited review indicated that the security firms were distinct from each other and from the church.

Nation of Islam officials have taken pains to describe the businesses as completely separate from the church, and Farrakhan is not listed as an officer of any of the companies.

But court filings and a Nation of Islam publication present a morass of contradictions about the links between the profit-making firms and the church, and suggest that their assets and authority are intertwined.

In New Life's bid application to the CHA, for example, Searcy Muhammad described the company's founders as "members of the Nation of Islam's ... security force" and traced New Life's history to the NOI Security Agency Inc. of Washington, D.C. For letters of reference, New Life submitted memos written in praise of

NOI's Washington efforts.

NOI, in turn, is a for-profit company founded by William Muhammad, the Nation of Islam's supreme captain.

In Washington Superior Court papers, filed when NOI sued the city last year over alleged civil rights violations, NOI attorneys stressed the connection between the security firm and the church: NOI is "associated with the Nation of Islam under the guidance and direction of the Honorable Minister Louis Farrakhan," documents say.

In a 1992 article in the Nation's Final Call newspaper, NOI director William Muhammad attributed media reports critical of the security company to Jews who "don't want any financial benefits to come to Minister Farrakhan."

New Life proved controversial once its guards arrived in Rockwell Gardens near Jackson Boulevard and Western Avenue in June 1994.

On a recent afternoon, two guards sat studying a newspaper in a grimy cinderblock room beside the entrance of a high-rise in the heart of the complex.

Neither paid attention to the young men who streamed through the lobby and clustered at the outer door, where they flashed gang signs and yelled taunts and greetings at passersby.

The guards wore red bow ties and close-cropped hair but said they were not Muslims. They had been hired only a few weeks before, they said, had just completed double shifts and weren't getting paid overtime.

"I'm getting a lawyer," one said.

The guards were reading the want ads.

Without guns or arrest powers, the Nation's sentries must have the trust of residents to keep the peace, and at Rockwell, they have all but lost it. Internal memos generated by Lane's aides track the slow deterioration of a contract that in many ways New Life never was equipped to handle.

In June, after gang gunfire flared so violently that janitors left their posts, Rockwell's maintenance manager told CHA police that "the feedback he was getting was that the Muslim guards were hassling CHA personnel more than the gang members and drug dealers."

In inspections over the next few months, CHA staffers found that New Life had only one guard, and sometimes none, posted at most buildings, instead of the two required in its contract.

In October 1994, after a spate of gang violence, CHA officials removed the New Life guards for nine days to try to regain control. When the guards went back to

their posts, extra units of CHA police were deployed.

With the added police, serious crime in the complex fell 41 percent in November and December, compared to those months the year before. Except for those two months, the level of crime at Rockwell had not changed appreciably from the year before, CHA police records show.

On Nov. 2, CHA police units covered three buildings with no New Life guard on duty, records show.

On Nov. 7, CHA security force Chief George Murray reported that New Life had only one guard posted per building and said those young men told him they had not been paid recently. "The guards currently working may leave in the next few days if the situation is not rectified," Murray reported.

Many of the guards listed on New Life's roster in January were convicted felons. Tribune background checks of 30 showed that 10 had recent felony convictions, in violation of state laws that prohibit convicted felons from working as guards.

One guard was serving felony probation terms for three separate heroin-selling convictions, two of which came in August.

One was sentenced in July to a year's felony probation for carrying cocaine, and also was serving a year's conditional discharge for a June misdemeanor conviction for carrying two automatic weapons in a car.

Another was sentenced to two years felony probation in April after police caught him with 43 plastic bags of rock cocaine that he was selling with a juvenile.

It was impossible to examine the backgrounds of 55 guards listed on New Life's 85-guard roster because their identities could not be verified from available records.

New Life had not attempted to register more than a third of its guards with the Illinois Department of Professional Regulation, as required by law, state records show.

New Life's contract amounts to \$14 an hour for the guards it is supposed to post. However, the guards on duty said they are paid about \$6 an hour.

The men paid New Life about \$200 for training courses (the money is deducted from their paychecks), but many worked for months before they received any training and some got none at all, according to internal CHA memos and guard interviews.

Some current and former guards said New Life supervisors

discouraged them from writing reports about violent incidents in the project—potentially suppressing crime statistics and making Rockwell look safer than it was.

When staffers from the U.S. Department of Housing and Urban Development reviewed the Nation-affiliated security contracts in preparation for the hearing earlier this month, they decided not to interview Rockwell residents at their apartments, citing "safety considerations," a HUD report shows. Instead, HUD staffers attempted to contact residents by telephone.

Of three dozen Rockwell residents interviewed by a Tribune reporter at their homes on recent afternoons, though, only one in four said the buildings were safer than before, or that they felt the Nation's guards were effective.

"When I go out at 6 o'clock every morning, those guards are in there asleep with the lights on, and I come out of my apartment tippy-toeing," said Renee Johnson, 40, who has lived in Rockwell for 14 years. "It's like they're friends with [the gang members] around here, or they're scared of them, and they just let them go right on through."

New Life's proposal to the CHA said that throughout America, Nation-affiliated firms had provided top security and raised community self-esteem. But records and interviews depict a different picture.

In Washington, several NOI guards have been arrested in battles with police, court records show, including two indicted on felony charges in March 1994—one for allegedly kicking an officer in the face and another for allegedly trying to grab an officer's gun.

In response to these and other arrests, NOI filed a \$33 million lawsuit against the Metro police and city officials, alleging police brutality and civil rights violations.

In April 1994, NOI lost its other big Washington contract, to patrol the 285-unit Clifton Terrace complex, because of complaints from residents and police.

"We had to arrest several security officers who went way over the line with physical restraint," said Sgt. Louis Cannon, president of the Washington police union and a 3rd District officer who worked in Clifton Terrace.

Large contracts also were lost in Los Angeles and Pittsburgh because of conflicts with residents and police, according to records and interviews.

In Baltimore, federal auditors concluded that the local housing authority was "placing its residents at risk" because NOI employed so many convicted felons.

The audit also showed that Daniel P. Henson III, Baltimore's housing chief, flouted HUD rules in awarding NOI's contracts, and HUD officials are asking the city to return the \$1 million difference between the lowest bid and NOI's. Henson defends his hiring decision.

"I think what Mr. Farrakhan does is worthy and admirable, but I made a business decision," Henson said.

The CHA's Vince Lane also said he admires Farrakhan's ability to reach disaffected youth, rehabilitate convicts and draw thousands of people to his speeches.

"I am pushing for religious institutions to get involved in their communities," he said. "I think we've missed the boat, particularly in the black community, by not involving religious institutions in the revitalization of neighborhoods."

Next: An AIDS treatment?

## Security firms

Since 1991, private security firms affiliated with the Nation of Islam have won more than \$15 million to patrol public housing developments in nine U.S. cities, federal housing department records show.

### ► PUBLIC HOUSING DEVELOPMENTS

City	Affiliated firms	Contract awarded/executed	Length of contract	Value
Chicago	New Life Self Development	1993	One year	\$880,000
		1994	One year	\$1.4 million
Baltimore	NOI Security Agency Inc.	1993	15 months	\$4.6 million
		1995	One year	\$4.5 million
Dayton	Nation of Islam Community Support Group	1994	One year	\$60,000
Philadelphia	NOI Security	Not available	One year	\$397,120-a-year

### ► PRIVATE, FEDERALLY ASSISTED HOUSING PROJECTS

**City:** Buffalo, N.Y.  
**Firm:** X-Men Security Inc.  
**Value:** \$126,000  
**Contracts:** Awarded a one-year contract.

**City:** Brooklyn, N.Y.  
**Firm:** X-Men Security Inc.  
**Value:** \$1.4 million  
**Contracts:** Awarded a one-year and a three-year contract.

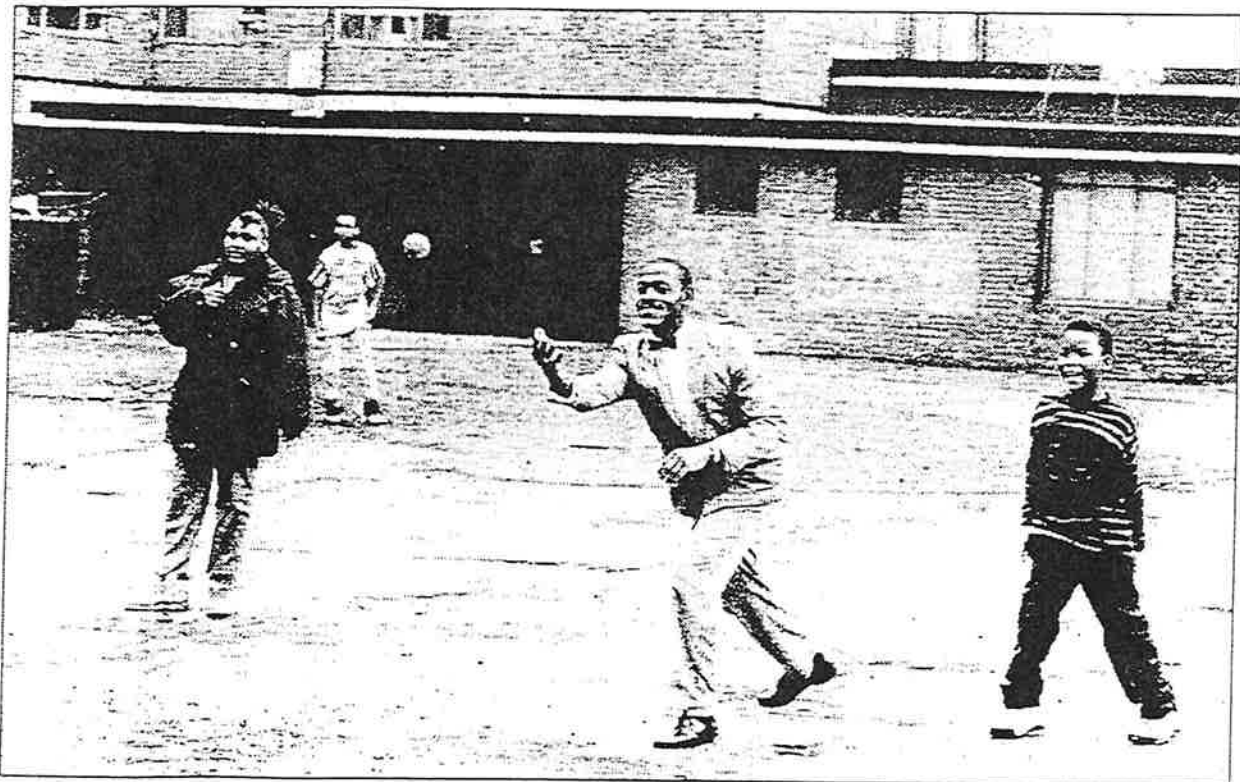
**City:** Pittsburgh-area  
**Firm:** NOI Security Agency, Inc.  
**Value:** \$3.3 million  
**Contracts:** Awarded 5 multi-year contracts.

**City:** Washington, D.C.  
**Firm:** NOI Security Agency Inc.  
**Value:** \$399,936  
**Contracts:** Awarded three contracts - one, valued at \$350,000 was canceled.

**City:** Los Angeles  
**Firm:** NOI Security Agency Inc.  
**Value:** \$644,000  
**Contracts:** Contract was canceled after one year.

Sources: Chicago Housing Authority, U.S. Department of Housing and Urban Development, news reports.

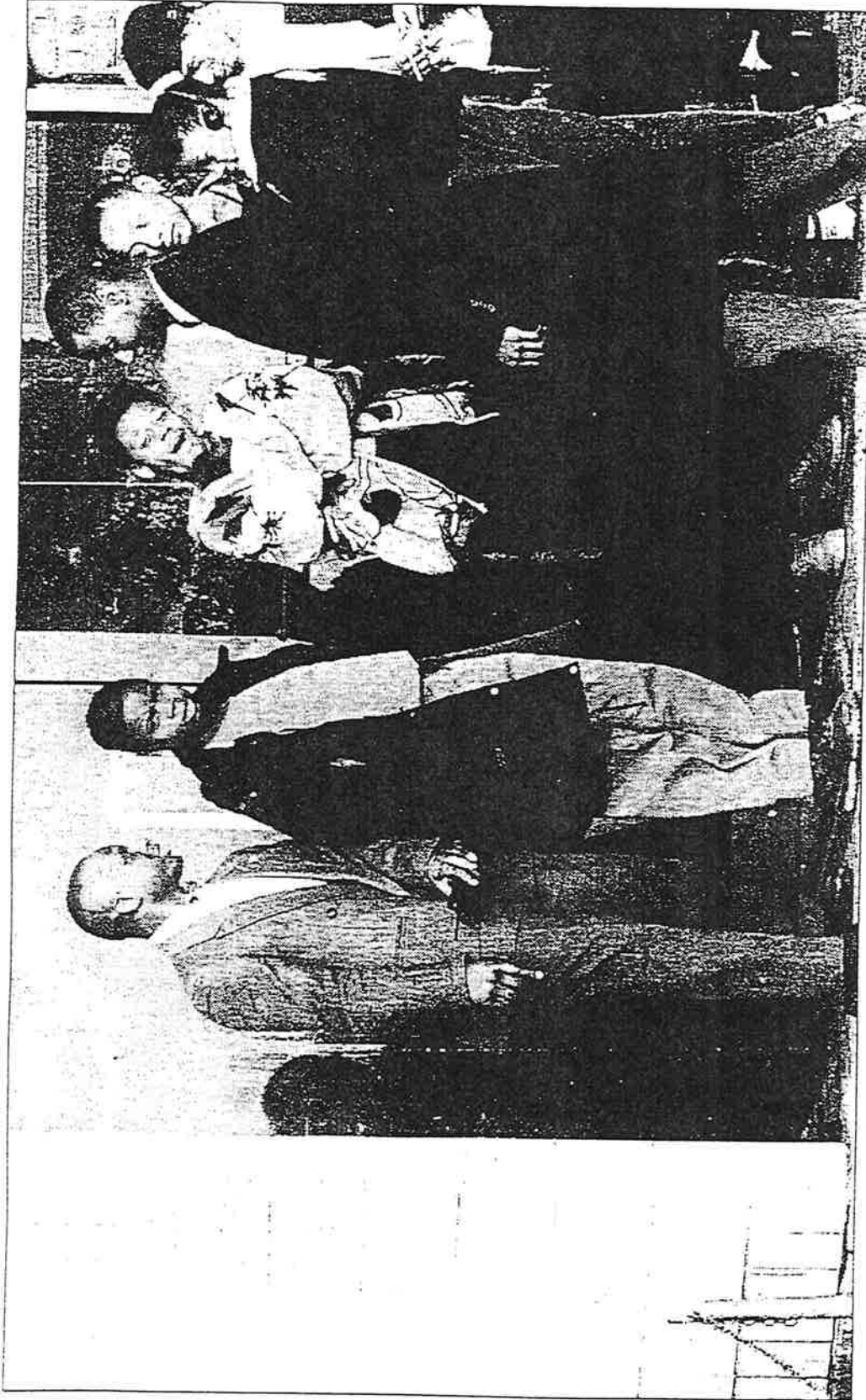
Chicago Tribune



**Mixing with the kids:** A guard plays with children at the Rockwell Gardens in 1994. But a resident of the housing project, commenting on the recent deterioration of security, says: "There is no safety in this building now. I very seldom even see the guards."



**PROFIT AND PROMISES**



**Security at the Rockwell Gardens:** Security men affiliated with the Nation of Islam chat with residents a year ago at Chicago's Rockwell Gardens housing projects. Nation-affiliated security firms have won more than \$15 million in federal contracts in nine cities.

**Tribune photos by  
Milbert Orlando Brown**

# AIDS hope or hoax in a bottle?

Experienced doctors say  
Nation of Islam's claim  
of cure is cruel deception

*A look at businesses linked to the Nation of Islam. Third in a series.*

**By William Gaines  
and David Jackson**

TRIBUNE STAFF WRITERS

WASHINGTON—In the past two years, the U.S. government has poured \$571,521 into a sparsely furnished clinic in a low-income District of Columbia housing complex, where the Nation of Islam's chief doctor sells a "miracle drug" he claims will cure AIDS.

From his Abundant Life Clinic and nearby mosque, Nation minister Dr. Abdul Alim Muhammad dispenses a heady brew of racial diatribes, grandiose promises and illegal medications.

Alim, as he is called, and his boss, Nation of Islam leader Louis Farrakhan, preach that the AIDS virus was created by the very entity that funds the Abundant Life Clinic—the U.S. government.

Alim told a 1992 Nation convention in Atlanta that "the present president of the United States, George Bush, played a leading role in developing a policy of genocide against non-white people all over this earth, and we believe that the AIDS virus is a direct consequence of that plotting and planning in secret."

But Nation of Islam publications claim

that Alim has a "miracle drug" for the deadly virus that has spread disproportionately among America's poor and black, a medicine called Low Dose Oral Interferon Alpha, or interferon, that is derived from naturally occurring human immune system cells.

Government agencies warn against interferon as an AIDS treatment because more than a dozen studies have shown it is not effective.

Doctors who have used interferon call the promise of a cure a cruel hoax that could give false hope to dying people or, worse, lure AIDS sufferers away from more effective treatments.

"If it is promoted as a cure, that's just criminal," said Dr. Wilbert Jordan, di-

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Tribune photo by Milbert Orlando Brown

Nation minister Dr. Abdul Alim Muhammad speaks to a Chicago audience last month.

Chicago Tribune, Tuesday, March 14, 1995

**Chicago Tribune**

A TRIBUNE PUBLISHING COMPANY NEWSPAPER

# Nation

CONTINUED FROM PAGE 1

rector of the AIDS program at King/Drew Medical Center in Los Angeles, who has used interferon in combination with other medications.

Some studies indicate that the pills helped some AIDS patients gain weight, but other tests failed to prove even those limited benefits.

"It's no cure," said Dr. Joseph Cummins, the Amarillo, Texas, veterinarian who is credited with developing the low-dose oral form of the medication.

Interferon is not federally approved as an AIDS treatment, but Alim dispenses it. The Tribune obtained a crudely marked bottle of bootlegged interferon that was made for Abundant Life by a purported company that the U.S. Food and Drug Administration says is not listed in their records.

Nation of Islam officials didn't respond to numerous requests by the Tribune for interviews and information.

It is not only illegal to distribute unlicensed AIDS pills, but also potentially dangerous since there is no oversight of the quality of the bootlegged medicine.

"We would like FDA approval. However, we can't wait," Farrakhan told the Atlanta convention audience in 1992. "We will take every risk, bear any burden to free our people from a man-made disease designed to kill us all."

From their pulpits, Alim and other Nation of Islam ministers urge followers to donate their savings so that more interferon tablets can be produced and distributed.

"We've got to get organized and we've got to get some money," Alim said in a February 1992 speech in Washington. "If you have any checks, make them out to The Abundant Life Clinic. Our donation bucket is in the lobby."

But while mosque members donate their money and time, and the Nation of Islam's top ministers use the religious power of their pulpits to extol interferon's benefits, the pills are in fact dispensed by a for-profit company, called Per Ankh Inc., whose officers are Alim and Leonard Searcy Muhammad, Farrakhan's son-in-law and chief of staff.

A 45-year-old, non-practicing surgeon, Alim is Farrakhan's national spokesman, the Nation of Islam's Minister of Health and Human Services and head of the Washington mosque.

In the 1992 Washington sermon, Alim, who as a doctor took an oath to heal the sick, explained his theory that there is therapeutic value in killing whites.

"When you walk around with the burden of oppression for centuries, having taken all these blows, taken all these insults, and not just with your own generation, but your father's generation, your grandfather, your great-grandfather—all these people have taken all this oppression—well that burden is on you, brother!" Alim said, clutching a kerchief.

"That's why your mind is crazy, that's why your mind is filled with anxiety, that's why your blood pressure is sky high," he said.

"When you let it out, there's healing in that. And if in the process, some of your oppressors and slavemasters die, so what? Everybody has to die some time, don't they? So why shouldn't your slavemaster die now? They got to die anyhow!"

From their folding chairs, the congregation responded with murmurs of assent.

"If you're white today, it ain't worth living anyhow," Alim said. "Would you shoot a dog and put it out of its misery? Or a horse? Well, certainly white people is equal to dogs and horses!"

Tall, thin, fastidious in dress and stiff in bearing, Alim was born Maurice Peters Jr. in York, Pa. It was in college that he discovered the Nation, changing his name to Maurice X and switching his major from literature to biology, to better serve his race.

After graduating from medical school, Alim served his residency in Harlem emergency rooms. The young doctor changed his name again, to Muki Fuad Muhammad El-Amin.

Hearing Farrakhan in person for the first time in 1974 convinced him that this electrifying orator was the man destined to address the problems of America's black people. After working briefly as a surgeon, Alim dropped his practice to serve the Nation full time.

Farrakhan renamed him Abdul Alim Muhammad, which he said translated into "Servant of the all-knowing God."

In 1990, at Farrakhan's request, Alim put together the Nation of Islam's first ticket for political office. Running against a white incumbent in a predominantly black

Maryland district, Alim won only 21 percent of the vote.

In election filings he disclosed that his income that year included \$40,190 from the Abundant Life Clinic.

A small, green sign in the Paradise Manor housing project identifies his medical office. Inside, the walls are dominated by pictures of Farrakhan and Elijah Muhammad, the Nation's first supreme minister. Soft jazz plays on a stereo. Outside, the complex is patrolled by young guards who work for NOI Security Agency Inc., a Nation-affiliated guard company.

Here, AIDS sufferers can purchase what the Nation's Final Call newspaper called the "miracle drugs."

Alim and Farrakhan preach that the low-dose oral form of interferon was developed by a black doctor in Africa, but it actually was in the cattle pens that dot the dry, flat prairie outside Amarillo that white veterinarian Joseph Cummins refined the medicine that would bolster cows' immune systems.

When Cummins fed the medicine to cows in small doses that mirrored the levels produced in the body, he found that sick animals began eating more and gaining weight.

In February 1988, Cummins reported in a biology journal that his treatment extended the lives of cats stricken with a rare leukemia that is similar to HIV, the human immunodeficiency virus that causes AIDS. HIV is a rapidly replicating infection that destroys the body's immune system and thus its ability to fight illness.

Cummins patented Low Dose Oral Interferon Alpha and began to push for experiments on human AIDS patients. He didn't propose interferon as a cure, but hoped it would at least more comfortably sustain AIDS patients.

He asked David K. Koech, health minister of the Republic of Kenya, to whom he had been giving advice on cattle treatment, if tests could be conducted there on people with AIDS, which had reached epidemic proportions.

After six months of trials, Koech announced in 1990 that HIV had been conquered and his patients had been cured by the drug he dubbed "Kemron," after the Kenyan Medical Research Institute.

Cummins said he was concerned about the findings because the Kenyan tests lacked standard scientific controls. Koech's patients may have been taking other medications, he said, and much of the supporting documentation was missing.

More than a dozen subsequent tests failed to replicate Koech's findings.

A 1990 World Health Organization review of 12 studies found that various forms of the medication had no more benefit than placebos.

Then in April 1992, after a study in which 108 patients in Africa were given the drug to no avail, the U.S. Public Health Department issued a statement saying the drug had no value, and warning against its use.

But Nation of Islam leaders began to distribute interferon.

When Alim told Farrakhan of Koech's claims, Farrakhan dispatched his chief doctor to Kenya. Soon after Alim's return, he began stumping the country, making extraordinary claims for the medicine's efficacy.

The drug "changed the outcome from death to nearly universal life," Alim said in a February 1992 speech at the University of the District of Columbia. Koech "has shown that he can reverse the signs and symptoms of AIDS in 97 percent of his patients," Alim asserted.

The pill "really does work. It returns people to productive life," he said in a March 1992 speech at Howard University.

At that speech, Alim claimed that he personally had "saved" about 40 patients by using interferon tablets. He told his mosque congregation that year that patients need only take one pill a day for six months, and then they were cured forever.



Unlicensed AIDS pills are made for a Nation-linked clinic by a pharmaceutical company that is not listed in federal records.

In the midst of Alim's promotional tour, and during the Nation's 1992 convention in Atlanta, Farrakhan announced that he just "three minutes before" won "the exclusive distribution rights of Immunex [a form of interferon] throughout the United States of America."

Two days before his announcement, however, the for-profit Per Ankh Inc. had been formed to distribute the drug, District of Columbia corporation records show. The name is derived from Egyptian words that could be taken to mean "house of life."

Alim told mosque members that Per Ankh was "your very own pharmaceutical company," and called it "a subsidiary of the Nation of Islam, Incorporated."

Listing its phone number at the Abundant Life Clinic, the for-profit company run by Alim and Farrakhan's son-in-law advertised its pills in the Final Call newspaper.

"Urgent urgent urgent," said a November 1992 ad: interferon is "available for treatment of ... full-blown AIDS."

"How could anyone give them rights to distribute the drug? It's illegal to sell it in the United States," said Dr. George Carlo, acting technical director of Pharma Pacific Management Ltd., the Aus-

tralian company that owns the trademark for Immunex.

Pharma Pacific never has had any arrangement with the Nation of Islam and wouldn't sell the untested product as an AIDS treatment "even with FDA approval," unless there was proof that it worked, Carlo said.

Several samples of bootlegged pills obtained by Carlo contained no interferon, probably because the chemicals had broken down, he said. While it is relatively easy to extract the immune system cells, researchers say it is difficult to create a tablet that will stabilize and preserve the medicine made from them.

In 1992, pressured by a coalition of black doctors that Alim spearheaded, the National Institutes of Health announced that it would oversee clinical trials to determine if interferon should win government approval as an AIDS treatment.

But after more than two years of preparation, the NIH has not begun its tests.

In a February 1995 memo, NIH officials cited the "weak scientific rationale" for the study and said Abundant Life and other clinics lack experience in holding such tests and would require "considerable training and monitoring."

The skepticism that greeted the Nation of Islam's attempts to win federal AIDS funding was not due to interferon's failings, however, but to Farrakhan's long history of vicious verbal attacks on gays.

Although he has softened his rhetoric in recent appearances, Farrakhan has not healed the wounds caused by speeches still sold in the Nation's bookstores that describe homosexuality as a harbinger of America's impending, divinely ordained collapse.

"It's the order of the day. Faggots everywhere, lesbians everywhere, and it's all right," Farrakhan told a New York City audience in 1980. "What happened to America, your beloved America? We're faggots now—put politicians in power and dare them not to elect more sissies to the City Council."

In early 1993, when Abundant Life bid on a \$200,000 contract to run an AIDS awareness campaign,

Washington, D.C., AIDS chief Caitlin Ryan told the city's bid panel that the clinic had no experience organizing a sophisticated education campaign and that Farrakhan long had been hostile to gays.

When the Nation did not get the contract, Alim called for Ryan to be fired.

"We would love to run a campaign against AIDS, but if we have to, we will wage a campaign against unjust and unfair public officials," he said.

Ryan was fired, but a hearing panel later ruled that she acted properly and awarded her a \$50,000 settlement.

In August 1993, Alim sought funding again, turning this time to the Whitman-Walker Clinic, one of Washington's most established AIDS care centers.

Alim went to the clinic one day with three bodyguards. With one man stationed outside the office of Jim Graham, the clinic's longtime director, and two men at the clinic's front door, Alim asked how Abundant Life could help fight the war against AIDS.

Graham explained the intricacies of his clinic's funding and outlined the government's grant-giving system. Alim left and the men never talked again.

Instead, Abundant Life chose to compete with Whitman-Walker, and bid on the \$1.2 million grant the clinic had received in the past.

"They wanted us to close down the Whitman-Walker Clinic," said Larry Brown, a spokesman for the District of Columbia government.

Whitman-Walker kept its contract, but that year the District government gave Abundant Life \$213,000 in federal funds from the Ryan White Act, and then another \$333,521 in 1994 from the same source.

The money is for case management, primary medical care and nutritional support for AIDS patients.

Abundant Life also won a \$25,000 subcontract that was to pay for a caseworker to guide patients through the government bureaucracy.

Next: Rising through the Nation's ranks.

## Interferon alpha: AIDS cure or cruel hoax ?

Low Dose Oral Interferon Alpha (LDOIA) is a patented tablet created from human cells cultured in a laboratory. It is derived from natural interferon, which is a part of the human immune system.



**February 1988:** Dr. Joseph Cummins, a veterinarian researcher in Amarillo, Texas, reports in a biology journal that cats with leukemia treated with LDOIA survived longer than those untreated.

**February 1990:** Davy K. Koech, Kenya health minister, publishes results of LDOIA treatment of human AIDS patients in Kenya. Results indicate cells important to survival increased in all but four of 37 patients.

**July 1991:** Farrakhan sends Minister Abdul Alim Muhammad and Wali Muhammad, editor of his newspaper, to Kenya to check report that black doctor has cure for AIDS.

**November 1991:** Researchers in Toronto, test 149 AIDS patients and conclude, "The trial had ample power to detect the level of increase previously reported by Koech, but no significant increase was detected."

**February 1992:** Per Ankh Inc., a for-profit company to distribute drugs, is incorporated. Alim and Leonard Searcy Muhammad, Farrakhan's son-in-law, are directors. Farrakhan says he will distribute LDOIA without FDA approval.

**March 1992:** Alim begins tour proclaiming an AIDS cure and seeking contributions.

**April 1992:** U.S. Public Health Service states LDOIA "is not recommended at this time for treatment of persons with HIV infections," based on results of 13 world studies.

**November 1992:** Advertisement in Farrakhan newspaper lists clinics where LDOIA can be bought; asks doctors to contact Per Ankh Inc.

**March 1993:** Alim speaks at mosque in Washington, D.C.; says church members are making LDOIA tablets.

**May 1993:** Alim's clinic gets federal grant for AIDS patient services.

# Allegations of fraud trail Farrakhan aide

The man at the heart of Louis Farrakhan's economic program, a 49-year-old Arkansas-born political activist, sometimes can be seen slumping in airport waiting lounges with a young Fruit of Islam guard standing at attention by his side.

Farrakhan's son-in-law and chief of staff, Leonard Searcy Muhammad, is the No. 2 man in the Nation and also a director of the Nation's publishing arm; its Chicago-based security company; its medical-distribution company; a grocery and fish franchise; and the Nation's overarching non-profit religious corporation that owns land and runs a variety of small businesses.

"Even Leonard's casual conversation is of a serious nature," said County Commissioner Danny Davis. "He picks things apart and looks inside, looking not for the 'what' of things, but for the 'why?'"

While he has developed deep roots in the ward offices of Chicago's West Side, Searcy Muhammad has acquired another reputation in Cook County and federal courts. There his name is linked with business failure and allegations of fraud.

After running a South Halsted Street tavern in the 1970s, Searcy Muhammad, in 1979, started a clinic whose primary asset was a city contract to give check-ups to Head Start children.

After three years, city officials chose not to renew the contract because of complaints from parents and Head Start directors, city records show.

Doctors from Searcy Muhammad's Preventive Health Programs Inc. gave cursory examinations that missed obvious eye and ear defects, records

show, or sometimes they didn't show up to examine the children at all.

Searcy Muhammad opened two South Loop Popeyes fried chicken restaurants in 1981 by taking at least \$43,000 from the clinic's accounts, as well as securing a bank loan through a minority business program, court records show.

But his solely owned chicken franchise, LCS Enterprises Inc. soon was swallowed in debt.

In 1984, owing \$32,601 to Popeyes, more than \$200,000 to banks and \$330,000 to tax authorities, the man who soon would run Farrakhan's business empire declared his chicken company bankrupt.

Two days later, at 10 a.m. on June 22, an IRS revenue officer stood in the restaurant and tried to auction the only things left of value: 65 donuts; nine half-pint cartons of milk; some biscuit base, buttermilk and orange juice; 30 thimble-size containers of half-and-half; and 20 trays of chicken parts.

A few weeks later, attorneys for the South Shore Bank filed court papers accusing Searcy Muhammad of "fraud, dishonesty, incompetence and gross mismanagement" in his running of LCS. Bank attorneys claimed in court papers that he improperly funneled money to his relatives.

A judge ordered Searcy Muhammad to stop paying himself and his relatives and appointed a trustee to take possession of the business.

By then, Searcy Muhammad had been married to Farrakhan's daughter Donna for nearly a year, and had begun his rapid ascent through the ranks of the Nation of Islam.

David Jackson

**PROFIT AND PROMISES**



Tribune photos by Milbert Orlando Brown

**Nation's second in command:** Leonard Searcy Muhammad (left) is Louis Farrakhan's son-in-law and his chief of staff. He also is a director of the Nation of Islam's publishing arm; its Chicago-based security company; its medical-distribution company and a grocery and fish franchise.



**PROFIT AND PROMISES**

# Ascent and grandeur

Nurtured by the Nation of Islam, schooled in its tangle of intrigues, Louis Farrakhan emerges triumphant as Elijah Muhammad's successor and an empire builder



Tribune photo by Milbert Orlando Brown

Nation of Islam leader Louis Farrakhan derives much of his authority from Elijah Muhammad (background), Nation founder and spiritual light for Farrakhan in his younger days.

Chicago Tribune, Wednesday, March 15, 1995

**Chicago Tribune**

A TRIBUNE PUBLISHING COMPANY NEWSPAPER

## A young man's early lessons in pride, hard work

*A look at the life of Nation of Islam leader Louis Farrakhan. Last in a series.*

**By David Jackson**  
TRIBUNE STAFF WRITER

BOSTON—In the blue-collar, West Indian enclave here, where Louis Farrakhan grew up, black children were taught to pray, study hard and take pride in their heritage.

"These were mostly poor, working people who were proud and taught us that we were as good as anybody else, and we accepted that challenge," said Kenneth Guscott, 69, a real estate broker who grew up next door to Farrakhan's family.

"America was not in chaos then, and children went to piano lessons and elocution lessons and afternoon jobs," said Elma Lewis, 73, who still lives nearby. "My family particularly loved Gene [the nickname by which Farrakhan was then known] be-



AP file photo

When Malcolm X (left, shown in 1963) found evidence of misdeeds on the part of Elijah Muhammad, Farrakhan (right) was quick to inform the Nation of Islam leader.

cause he was a warm, smiling, obedient, well-directed young man.

"This was never a boy who needed correcting. This was a right boy."

An earnest, bright-eyed youth, Louis carried the cross at St. Cyprian's church. At English High School, he made the honor role his first two years and ran track in the shadow of

his quicker and more streetwise brother.

But along the way for Farrakhan, the notion of black advancement became racial separatism, and black pride spawned racial hatred.

And over the years, through the dark betrayals and Byzantine palace intrigues that marked his rise through the Nation of Islam,

SEE FARRAKHAN, PAGE 22

# Farrakhan

CONTINUED FROM PAGE 1

Farrakhan became something larger than life: a leader of the masses and an empire builder.

Today, he is chauffeured to appointments in a 28-foot stretch limousine that is "fit for a head of state," according to his newspaper, *The Final Call*.

Farrakhan favors mustard, mauve and raspberry silk suits, thin Italian shoes and gold that glitters from his fingers, cuffs and sunglasses.

"He wears the colors of life," said his Philadelphia tailor Ron Wilch. "Nothing dreadful, nothing dark."

The 61-year-old grandfather can bench press 400 pounds and outrun a teenager, according to his aides.

Black business people who have been entertained in his Hyde Park mansion say that Farrakhan often ends the evening with contrite comments about Jews and whites and then cradles a violin against his neck and draws from it the plaintive melodies of Felix Mendelssohn.

Across America, he packs stadiums and civic meeting halls with fans who chant the three syllables of his name, and for hours at a stretch he holds them bolted to their seats, enraptured as he rocks on his heels and improvises long, incantatory riffs that blend the Bible with black pride, race-baiting with admonitions to live clean.

At recent appearances, he has begun to compare himself to Christ. He says he is being crucified by federal officials who fear his ability to mobilize black people.

"The first stage is persecution in the media, the second stage is to bring me before the courts," he said at the Chicago mosque on Easter Sunday 1994.

"They want to hold me in prison—at least a year or more, so they can work on me. Put stuff in your food. They don't want me dead, they want me discombobulated mentally."

He said, "I love the thought of dying for you."

Facets of the man who so fascinates and frightens America are revealed in court records, the hours of his taped speeches and the recollections of those who knew him at various stages of his life.

But the particulars of his biography do not add up to the whole of Louis Farrakhan, because he has reinvented himself.

"My family didn't produce me; I produced them," he told an audience last year. "The people ... called me into existence."

He was born in New York in the spring of 1933 and named Louis Eugene Walcott, after his father, who left Louis' mother unmarried and raising two sons on welfare.

Sarah Mae Clarke moved to Boston and rented a flat in a brick rowhouse on Shawmut Avenue. Born in 1900 on St. Kitts Island, she sewed the jackets that Louis and his older brother Alvan wore, gave them books that inspired their belief in the nobility of the black race and worked as a maid to finance their violin and piano lessons.

Alvan aspired to be a jazz pianist, and Louis wrote in the 1950 yearbook that he was going to the Juilliard School of Music to study violin.

Instead, he spent two years at the predominantly black Winston-Salem State Teachers College in North Carolina and then dropped out to sing in clubs.

In 1953, smoking "a reefer or two or three or four" as he put it in a later interview, Louis Walcott pressed a Calypso single, "Belly to Belly, Back to Back," and took a stage name "The Charmer."

It was Malcolm X who brought the "right boy" back to church.

Hardened by his encounters with cocaine and prison, and burning with a bright, fast faith, Malcolm had been preaching in Boston since 1952, building a following as he spread the teachings of Elijah Muhammad, the Georgia preacher's son who claimed to have met God in the person of a Detroit silk seller.

Elijah, to Farrakhan, was a distant, distrustful patriarch.

"Minister Farrakhan learned from the messenger, but he learned it at a distance," said Minister Abdul Akbar Muhammad, one of Farrakhan's closest aides, in a series of lectures that form the Nation's official history. Elijah taught Farrakhan "when everybody was there at the same time and he didn't give him any special teaching," Akbar said.

Still, when Elijah made Farrakhan Boston's minister in 1957, after Malcolm moved to Harlem, Farrakhan preached with an unrestrained exuberance.

"He would sing on the spur of the moment—not popular tunes but something that was a compliment to Elijah Muhammad or a put-down of Caucasians," said Abdul Karim Hasani, a former New Haven, Conn., Nation of

Islam minister who now heads an orthodox Islamic mosque in Los Angeles.

In 1960, Farrakhan set Elijah Muhammad's stern philosophy to a Calypso beat, producing "White Man's Heaven is a Black Man's Hell."

He wrote a play called "Orgena," which is "a Negro" spelled backward. It concerned God's judgment of white people and usually featured its author in a starring role.

But while Minister Louis X, as he was called during the 1950s and '60s, was expanding his talents, Malcolm X was plumbing the corruption that lay hidden at the heart of Elijah Muhammad's empire.

Forced tithes and conscripted newspaper sales provided an extravagant lifestyle for Elijah and his family, Malcolm learned, and he blamed "the criminal operation of the black Muslim movement" for violence against its members. Also, he discovered that Elijah Muhammad had fathered children by several of his teenage secretaries and then cast those women out of the mosque.

When Malcolm told Farrakhan of Muhammad's philandering, Farrakhan immediately told Muhammad.

"Of course I mentioned it to the Honorable Elijah Muhammad, which I told Malcolm I was going to do," Farrakhan said in a 1985 interview with the National Alliance newspaper. "Now some may call that opportunistic, I don't know, but I am a loyal man to my father."

In 1964, Malcolm broke with the Nation completely, making a pilgrimage to Jeddah, helping two former secretaries file paternity suits in Los Angeles County Superior Court and starting his own Organization for Afro-American Unity.

Farrakhan filled five pages of the Nation's newspaper with attacks on his former mentor, saying in an editorial that "such a man as Malcolm is worthy of death."

At the Audubon Ballroom on Feb. 21, 1965, after calling out the Arabic greeting of peace, "As salaam alaikum," Malcolm X was slain in a barrage of gunfire.

Three Nation followers were convicted of the killing, but none of the many journalists and his-



Tribune file photo

**Reaching out:** Minister Louis Farrakhan, speaking at a weekly forum of Operation PUSH in 1984, said that "if the majority of black people want to be included in America, then I say let them in."

torians who have studied the murder calls it solved.

In recent books and films, the circle of culpability has extended to include the New York City police who were so sanguine about the threats to Malcolm's life; federal authorities who infiltrated Malcolm's breakaway black power group and exacerbated the tensions between him and the Nation; and Elijah Muhammad himself, who said five days after the killing, "Malcolm X just got what he preached."

While denying any direct involvement in the plot, Farrakhan conceded in a 1994 Chicago speech that he helped create an "atmosphere in which our brother was assassinated."

But he offered no apologies: "Elijah Muhammad had fierce men with him, and women, who loved him, and if we saw you doing evil to him, it inspired in us a desire to do evil to you."

Malcolm's death cleared the way for Farrakhan's ascent, but Farrakhan has struggled since to clear his name.

"Because [Malcolm] died, I have a chance to live and do the work that he wanted to do, but it wasn't for him to do," Farrakhan said in a 1980 speech. But "the very people I worked for and in behalf of hated me and now want to take my life."

That hatred re-emerged in January, when Malcolm's 34-year-old

daughter, Qubilah Shabazz, was charged in Minnesota with hiring a federal informant to murder Farrakhan. Shabazz feared that Farrakhan would seek vengeance on her mother, Betty Shabazz, who has publicly accused Farrakhan of responsibility for Malcolm's death.

In a taped conversation that was released by federal prosecutors, Shabazz told the informant, "I do think that eventually he's going to, in a very slick way, have her killed. OK, so it's either him or my mother."

Like Shabazz's lawyers, Farrakhan says she was set up by the government. She awaits trial.

After Malcolm X's death, the trajectory of Farrakhan's public career followed the bright path of his slain mentor. Elijah Muhammad made Farrakhan head minister of the Harlem mosque in May 1965 and the Nation's national representative in 1967, but nothing Farrakhan did could convince Elijah of his loyalty.

"The messenger said, never again will I teach another minister like I taught Malcolm," Akbar said.

In long, late-night phone calls to Wallace Muhammad, Elijah's son and heir apparent, Farrakhan tried to fathom his place in the new Nation, and he poured out his desire for the access and intimacy that Malcolm had.

Two of his children married Elijah's relatives, but a cloud hung over the weddings.

"My father told me to keep an eye on him because he was trying to use the family," said Elijah Muhammad Jr., who oversaw the security of the Nation during the 1960s and 1970s.

In 1968, Elijah Muhammad made

Farrakhan his radio spokesman, and Elijah's inner circle gave him a new nickname. "He was called Velvet Mouth," Elijah Jr. said in a recent interview.

In September 1974, his lungs racked with infections and his heart failing, Elijah checked into Mercy Hospital under the name Charles Evans, and within weeks, Wallace Muhammad told the ministers that he would lead the Nation.

Farrakhan had late-night meetings in the Harlem mosque with men he thought were loyal to him, but they sent back secret tapes to Elijah Jr. in Chicago.

"He spoke to 12, 1 o'clock at night, trying to convince them that he would be the leader. It was obvious that he knew he was losing ground," Elijah Jr. said.

On the eve of the Nation's annual Savior's Day convention in 1975, Elijah died of congestive heart failure. At the convention, Farrakhan wept and called himself Wallace Muhammad's most loyal disciple.

Educated in the orthodox Muslim universities of Cairo, Wallace dismantled the empire Elijah had created, dissolving its centralized financial operation and turning his followers toward orthodox Islam.

In June 1975, he transferred Farrakhan from the Harlem mosque to the Nation's Chicago headquarters so he could be more closely watched.

Farrakhan, then 41, chafed silently in the twice-weekly classes Wallace created for ministers to study the Koran and learn the Arabic language of its prayers.

"He was in a daze," said Shamsud-Din Ali, a former Nation minister who now heads an

orthodox mosque in Philadelphia. "He appeared to be like a terrified individual. I kept thinking, here is a spokesman without anybody to tell him what to say."

In November 1975, Wallace gave Farrakhan \$50,000 "for the many years of sacrifice and hard work rendered to the Nation," according to a court report Wallace filed pertaining to his father's estate. A few weeks later, Farrakhan bought a rambling brick house in the Beverly neighborhood, a gray stone estate that would later be his new headquarters.

In the summer of 1977, Wallace offered Farrakhan the position of minister in New York, but according to his old friend, Abdul Karim Hasan, Farrakhan said he would not "be a prostitute for anybody anymore."

"Those were his words as God is my witness," Hasan said. "He said, 'Why should I do it for anybody else when I can do it for myself?'"

Farrakhan returned to Chicago and turned the job down.

As Farrakhan recounted their meeting in a 1980 speech, "I said the only way I could go back to New York is if all of the lies that were spoken against me [about Malcolm's slaying] were cleared up."

Wallace Muhammad also remembers their talk.

Farrakhan "went into a trance with me and said he was destined to lead his people," Wallace said. "He's a dramatist."

In the fall of 1977, Farrakhan announced he was re-creating the Nation of Islam.

"We who are the disciples of the Honorable Elijah Muhammad should bring that program back—stand on it, don't alter it, don't change it, don't corrupt it," he told a crowd of about 1,000 at his "First National Message to an Oppressed People" at Martin Luther King High School in Chicago in 1978.

Wallace Muhammad, who is now called Warith Mohammed, continued to lead his followers into the Muslim mainstream.

On any Friday, an estimated 750,000 regular members attend services at some 200 mosques affiliated with his ministry, making it the second-largest Muslim organization in North America, according to a 1994 study by the Islamic Resource Institute in Fountain Valley, Calif.

The Nation of Islam was not included in that study because its teachings are heretical to mainstream Muslims. Estimates of the Nation's membership generally have centered on about 20,000 regularly mosque-attending members, but range from 10,000 to 200,000 members.

In 1980, Farrakhan returned to New York City and gave what his newspaper calls "his first major address." In a seminal City College speech that marked his emergence as the populist leader, he spelled out the foundation of his new Nation of Islam.

"The white man is our mortal enemy, and we cannot accept him," he said. "I will fight to see that that vicious beast goes down into the lake of fire prepared for him from the beginning, that he never rise again to give any innocent black man, woman or child the hell that he has delighted in pouring upon us for 400 years. And I'm home to stay!"

Since then, Farrakhan has continued to predict that America is nearing a holy race war.

Farrakhan says that a giant spacecraft called the Mother Wheel is floating 40 miles above the Earth, waiting to rain down bombs on a divinely ordained day when white people will be destroyed and blacks who have embraced Nation will be lifted to majesty.

In 1985 Farrakhan said he was seized by a vision in which he was taken aboard a small spacecraft and transported through a beam of light to the Mother Wheel.

Once docked there, he says, he heard the voice of Elijah Muhammad.

"As he spoke, a scroll full of cursive writing rolled down in front of my eyes, but it was a projection of what was being written in my mind," Farrakhan said in a 1989 speech.

Then last year, he told a Nation convention: "I'm telling white folk, you [are] standing right now at the door of divine judgment."

In that speech, as he often does, Farrakhan mocked orthodox Muslims and added that Catholics "subject black people to a white kind of theology that strips us of ourselves."

He told Jews, "Don't say you haven't sucked our blood."

Arabs "took over from the Jews and you own the stores in our community now, and you sucked the life from us," he said. And "Koreans, you come, sucking our blood."

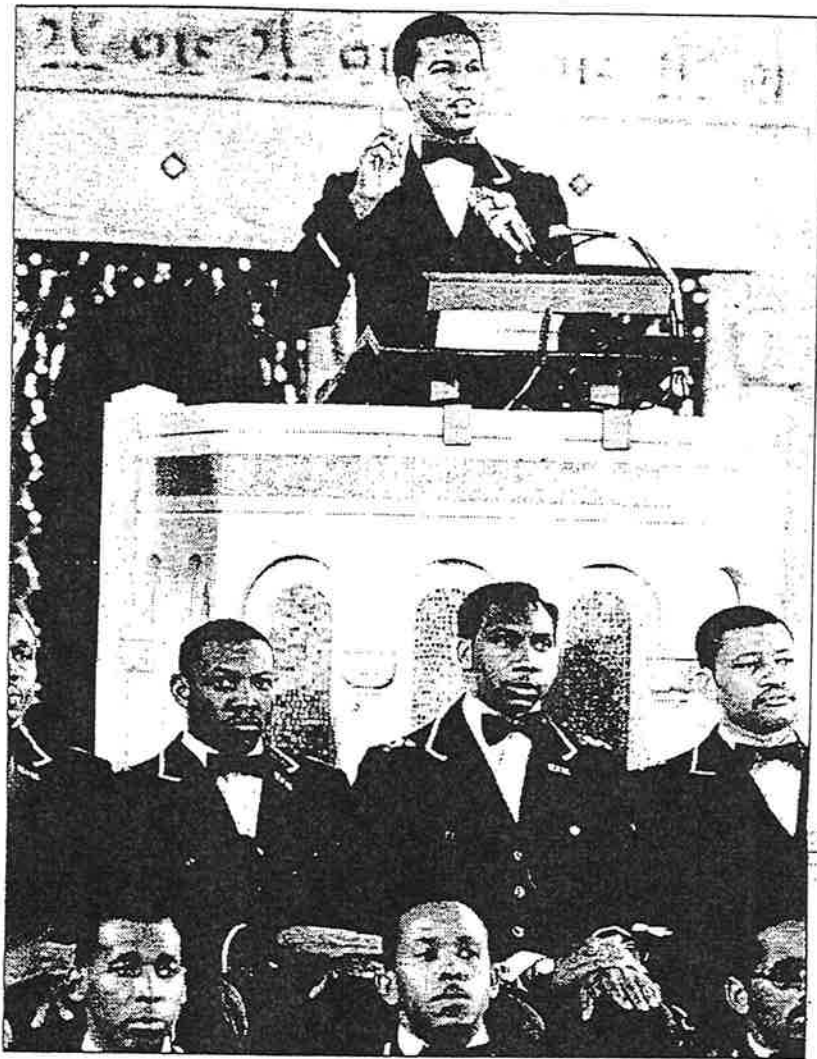
As the speech ended a woman cried from the crowd, "I love you, Farrakhan!"

"I love you too," he called back, "but remember that disorganized love is not as effective as organized hate."

**PROFIT AND PROMISES**



Enlarge the photos



**Trajectory of a leader:** Nation of Islam founder Elijah Muhammad (second from right above) listens as his young charge Louis Farrakhan (right) speaks at a Nation gathering in 1964. In succeeding years, Farrakhan takes more of a leadership role, speaking during Savior's Day at the Elijah Muhammad Mosque No. 2 (left) in 1976 and being joined by Jesse Jackson (below) and 1,000 supporters at City Hall to break the Nation's tradition of political nonparticipation.



# Farrakhan: I will survive attacks

## Nation of Islam leader says he's victim of conspiracy

By David Jackson  
and Janita Poe

TRIBUNE STAFF WRITERS

In a two-hour sermon Sunday, Nation of Islam leader Louis Farrakhan said allegations of mis-

management and fraud documented in a Tribune investigation of church finances and businesses are part of a global conspiracy to destroy him.

"You have lambasted me and maligned me ... in hopes that one of my people would assassinate me," Farrakhan said. "I should tell you today, with the help of Almighty God, I'm going to be the one to survive. And those who oppose me, you are destined to disgrace and total destruction."

Farrakhan offered few specific responses to the Tribune's four-part report published last week.

The series said the Nation of Islam's businesses are riddled with debt, failure and allegations of fraud, while Farrakhan and his

family profit and live lavishly.

Farrakhan said he was being persecuted by a shadowy, secret government made up of the Tribune and other media, international bankers and federal agencies.

As he addressed a crowd of more than 1,000 people at the Nation's Mosque Maryam at 7351 S. Stony Island Ave., Farrakhan compared himself to Jesus and the Tribune to the biblical Pharaohs who persecuted Moses.

"Frustration comes out in your writing, but under the anger and envy is terror," he said.

Farrakhan, his family and aides did not grant interviews during the reporting of the Tribune's se-

SEE FARRAKHAN. PAGE 9



# Farrakhan

CONTINUED FROM PAGE 1

ries.

"Why are you worried about what I do?" Farrakhan asked Sunday. "I don't take as much money from the poor as [does] the Tribune."

He added that the state lottery takes more money from poor blacks than he does.

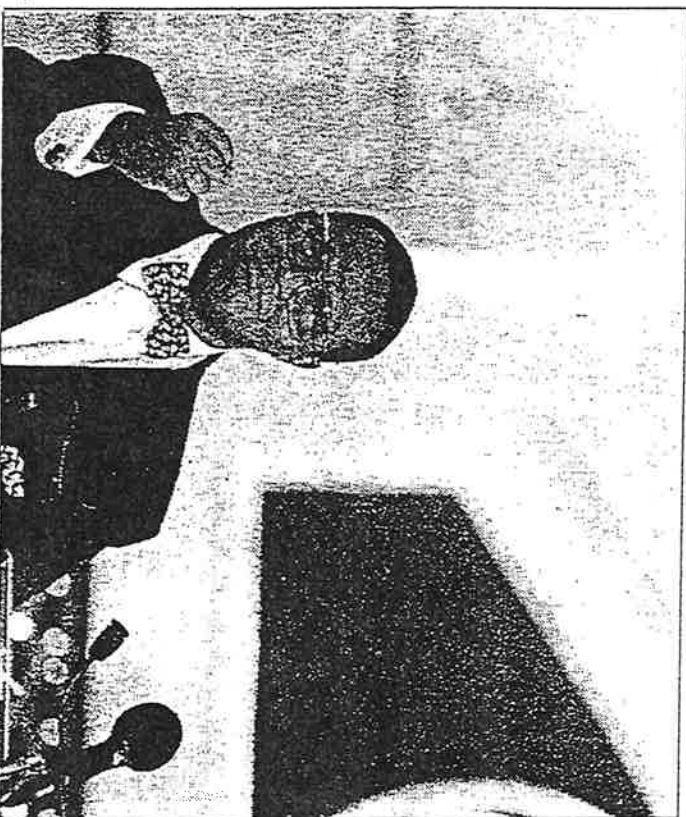
Farrakhan gets millions of dollars in donations with the promise that he will start businesses that will lead poor blacks from poverty.

He used church assets to help for-profit soap-selling companies that were run by his in-laws. One of the companies engaged in what an Internal Revenue Service official called a "sham transaction" to evade \$93,000 in unpaid taxes.

The Nation's newspaper touts a "miracle" cure for AIDS that is, in fact, an unlicensed medication that has been proven ineffective in more than a dozen studies. Doctors call the promise of a cure a "cruel hoax" that can lead AIDS sufferers away from more established treatments.

The Nation set up a for-profit company—run by an in-law of Farrakhan and a Nation member—to distribute the drug.

Despite his many taped speeches to the contrary, Dr. Abdul Alim Muhammad, the Nation of Islam's chief physician, said Sunday that he never promoted his treatment as a cure.



Tribune photo by Milbert Orlando Brown

Louis Farrakhan speaks Sunday night at the Nation of Islam's South Side mosque. He says he is being persecuted by a secret government made up of the media, international bankers and federal agencies.

The Nation-affiliated Chicago security company hires convicted felons and often leaves buildings unguarded and residents feeling less safe than before, records and interviews showed.

Nation officials claimed Sunday that the Rockwell Gardens housing projects were safer than before Nation-affiliated guards were hired.

The Tribune reported on Chicago Housing Authority police re-

laxity, and we didn't have to ask you for anything."

"You're frustrated over a black man over whom you have no control, a black man who appears to be getting stronger every day. So you feel at all costs that Farrakhan must be silenced," he charged.

Records show that the No. 2 Poor Treasury, a church account that is enriched by donations from followers and controlled by Farrakhan exclusively, has purchased two Range Rovers and two Rolls Royces that were titled to Farrakhan as a co-owner with the Treasury. A black Mercedes Benz SL 600 Roadster bought by the mosque was titled to Farrakhan as a co-owner.

Farrakhan personally owns a Mercedes-Benz 500 SEL sedan and a Lexus LS 400, and he is chauffeured to appointments in a mosque-owned Lincoln Town Car limousine.

"If I drive a nice car, there's nothing wrong with that," Farrakhan said.

"Everything you've tried to do to hurt me has failed," he said. "Everything you've tried to do to hurt the Nation of Islam has failed."

*Tribune staff writer William Gaines contributed to this report.*

**Chicago Tribune Online**  
INSTRUCTIONS ON PAGE 2, SECTION 1

The Tribune's Nation of Islam series, and an excerpt from the Provisional Constitution of the Muhammad Mosque are available in the Tribune Reference Desk Library. W226

# Chicago Tribune

Wednesday, May 17, 1995

## HUD probing Nation of Islam firms, CHA boss

By David Jackson  
and William Gaines

TRIBUNE STAFF WRITERS

Federal housing officials are investigating Chicago Housing Authority Chairman Vince Lane's relationship with a security company linked to the Nation of Islam and whether Lane improperly mixed CHA and personal business with another Nation-linked firm.

The federal housing department's inspector general also is looking into other irregularities in public housing security contracts held by companies affiliated with the Nation, including whether the companies were properly licensed and how they reported their tax debts. Federal officials are deciding whether the Nation-linked firms are qualified to have their federal contracts.

Lane denied in an interview this week that he had any conflicts of interest and said he welcomed the investigation. Leonard Searcy Muhammad, the Nation of Islam's chief of staff and head of the security company, could not be reached for comment.

The federal investigation was prompted by a four-part Tribune report, published in March, that examined the Nation's finances and businesses, senior federal officials said.

The possible conflict of interest involves two deals struck between Lane and Searcy Muhammad during a series of 1993 meetings.

Searcy Muhammad is the son-in-law of

SEE HUD, PAGE 16

## From Page 1

## HUD

CONTINUED FROM PAGE 1

Nation of Islam leader Louis Farrakhan. The federal investigation does not target Farrakhan personally.

In one deal, Lane offered more than \$2 million worth of contracts to New Life Self Development, a fledgling Chicago-based security company run by Searcy Muhammad.

At the same time, Lane offered a separate contract to a Nation-linked grocery, making it a tenant in a South Side mall that Lane had developed privately. The grocery deal helped rescue Lane from personal financial disaster, Lane said in a 1994 interview with the Tribune.

At the time, Lane's Continental Plaza shopping mall was drowning in debt, and banks had sued to collect more than \$3 million in unpaid loans. Having the signed grocery lease in hand helped Lane to restructure his debts and avoid foreclosure, he said. After the lawsuit was re-



Chicago Housing Authority Chairman Vince Lane has denied any conflict of interest in dealing with the Nation of Islam.

solved, the grocery did not open, and no rent money changed hands, Lane said.

Lane also told the Tribune he

went to Farrakhan to get final approval of both deals.

In another interview Monday, Lane refused to discuss the details of the meetings. "I don't want to discuss my personal business in the press," he said.

Lane said Monday that the federal investigation had been launched because "the Jewish organizations put a lot of pressure on Congress and everybody else and this is the result."

He said he had not been interviewed by federal investigators, nor asked to supply any records.

"I'll be happy for them to come in and examine the transaction," he said.

The CHA official who oversaw the Nation of Islam's security contracts, Private Management Administration director Bettye Vance, also is a partner in Lane's Continental Plaza shopping mall.

At the time New Life won the CHA contracts, it did not have a state license to operate a security service and it had no previous contracts to list in its bid application. So Lane put Searcy Muham-

mad in touch with partners who would enable the security firm to operate, including Young Pate Jr., whose Citywide Detective Agency had contracts with the CHA and also had patrolled Lane's Continental Plaza mall.

At the time, Lane's mall company owed Citywide \$195,494, court records show. Muhammad submitted bid documents describing New Life as a "branch office" of Citywide.

New Life hires convicted felons and often leaves buildings unguarded and residents feeling less safe than before, according to CHA police reports, internal CHA memos, land and court records and interviews with dozens of

Rockwell Gardens residents at their homes.

The Internal Revenue Service has filed \$354,588 in liens against a Washington-based security company affiliated with the Chicago-based firm, New Life.

Nation officials have claimed that the Rockwell Gardens housing developments are safer than before Nation-affiliated guards were hired.

Lane said Monday: "The tenants I talked to, some like them and some don't. But that's the same as any security company."

Housing and Urban Development Secretary Henry Cisneros first revealed the federal investi-

gation on May 7 in a speech in Washington to the board of governors of B'nai B'rith, a Jewish organization.

"Based on recent reports in the press ... we have asked HUD's inspector to investigate allegations about a possible conflict of interest involving the director of the Chicago Housing Authority and the Nation of Islam and New Life Security," Cisneros said.

Since 1991, Nation-affiliated firms have received more than \$15 million worth of federal contracts to patrol housing developments in nine cities, including Los Angeles, Philadelphia, Pittsburgh, Baltimore and Washington, D.C., HUD records show.



At least 12 passengers on a suburban Maryland commuter train were killed Friday after it collided with a Chicago-bound Amtrak

train near Washington, D.C. There were only minor injuries among Amtrak passengers but numerous commuters were hurt. Page 3.

# Nation of Islam firm losing CHA contracts

By David Jackson  
Evansville Journal

WASHINGTON A Nation of Islam-linked security company has been found unqualified to bid for upcoming contracts to school or manage Chicago public housing developments, Chicago Housing Authority officials said Friday.

The finding, by a panel of CHA residents and officials, means

that the \$2-million a-year contracts of the New Life Self Development Co. will not be renewed this spring.

The decision comes amid New Life's mounting management problems, including lawsuits from tenants, complaints from police and growing tax debts, court records and state licensing files show.

New Life head Leonard Seay Muhammad could not be reached

for comment Friday and may not have reviewed the CHA's finding. He is traveling with Nation of Islam leader Louis Farrakhan and a 35-member entourage through African and Middle Eastern nations. Muhammad is Farrakhan's son-in-law and chief of staff.

People answering phones at the Nation of Islam's mosque and newspaper also declined to comment or identify themselves.

When they return to America in the next few days, Farrakhan and his staff will also receive letters of inquiry from several federal agencies that are examining the pledge of Libyan dictator Moammar Gadhafi to give \$1 billion to Farrakhan to help sway American foreign policy and influence elections.

Farrakhan has met with leaders of Iran, Sudan and Libya, all

See CHA, Page 16

traces. Confused election officials will let people vote in races for which they aren't registered. Close races will be retried in costly and complicated recounts involving questions about whether ineligible voters cast ballots.

Three months ago, officials in Mississippi predicted the same kind of Election Day doom. But it never happened.

Mississippi and Illinois don't have a lot in common. But they are the only states with confusing dual voter-registration systems.

Both states' Republican governors opposed the National Voter Registration Act, also called the "motor voter" law, which lets people register for federal elections when they get driver's licenses.

When the federal law was forced on the states, neither Illinois nor Mississippi took action to let people register for state and local elections at the same time they filled out the federal forms.

Now they are the only states where people who register for federal elections must sign up a

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# Chicago Tribune

Saturday, February 17, 1996

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# CHA

CONTINUED FROM PAGE 1

countries on the U.S. list of nations that sponsor terrorism, and he has repeatedly criticized American policy in the countries he has visited.

The Justice Department is looking into whether Farrakhan's ties with Gadhafi violate federal laws, but a Justice Department official said Friday that it was premature to call the inquiry a full investigation. In addition, Farrakhan has been sent letters of inquiry by the Treasury Department's office of foreign assets control, and by the State Department, federal officials said Friday.

In Iran, Farrakhan attended celebrations marking the 17th anniversary of the revolution that brought Ayatollah Ruhollah Khomeini to power. He was quoted by an Iranian newspaper as saying, "God will destroy America by the hands of Muslims."

Although he denounces the U.S. government as "wicked," Farrakhan has bargained for federal dollars for Nation of Islam-linked security firms, which have won more than \$20 million in contracts to patrol federally funded housing developments nationwide since 1991. All of the major contracts

ended in failure, because the firms hired convicted felons and left buildings unguarded, according to court records and interviews.

The largest remaining contract was to New Life, which has patrolled the Rockwell Gardens development and three smaller buildings since 1994.

New Life will continue to secure the developments on a month-by-month contract until new bids are accepted in the spring, CHA officials said Friday. The firm is currently being paid \$160,000 to \$170,000 a month.

The contracts were quickly embroiled in controversy and complaints from tenants.

Seven Rockwell tenants recently filed lawsuits alleging that New Life failed to safely maintain the grounds, and one tenant says a guard beat her. In several of those suits, attorneys and deputy sheriffs have alleged that New Life officials avoided the service of court papers.

In addition, City of Chicago revenue officials have filed a lawsuit to collect \$52,571 in delinquent taxes owed by New Life.

That lawsuit is the result of a general audit by city revenue officials of 266 private security companies in Chicago, with New Life one of three companies against which

the city has taken court action. Revenue Department spokesman John Holden said New Life officials did not respond to notices from city tax officials.

The state Department of Professional Regulation, which licenses private security firms, has placed New Life's license on probationary status for 18 months because of numerous record-keeping violations.

After a series of 1995 Tribune reports disclosed potential conflicts of interest by then-CHA chairman Vince Lane when he awarded New Life's contracts, the U.S. Department of Housing and Urban Development's inspector general launched an investigation into New Life. Materials gathered in that probe were later turned over to a federal grand jury, government officials said.

Friday's finding came because New Life was one of 15 firms rejected by an eight-member panel of CHA residents and city and federal housing officials.

The panel examined submissions by New Life and 33 other firms, and found 19 qualified to compete for private management contracts. Those firms will now make presentations to tenant groups and CHA officials for contracts scheduled to be let in the spring.

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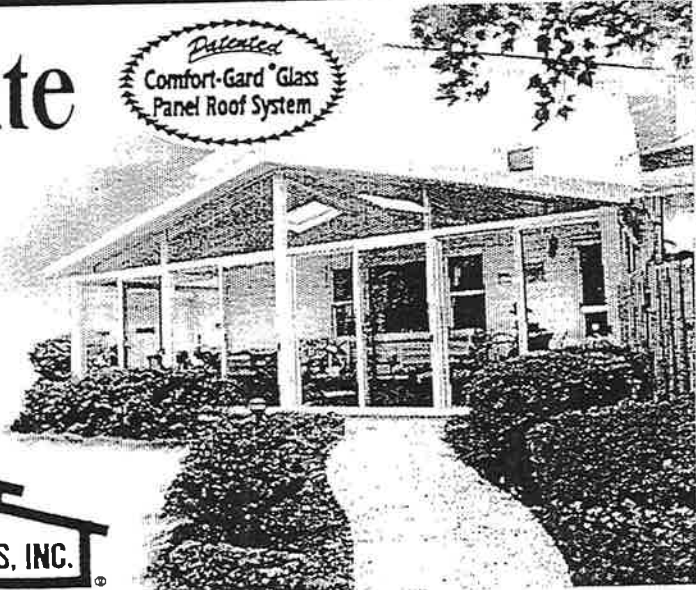
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# Inquiry targets mall owned by Vince Lane

## Grand jury subpoenas records from banks

By David Jackson  
and William Gaines

TRIBUNE STAFF WRITERS

A federal grand jury is investigating the finances of a South Side shopping mall that was developed privately by former Chicago Housing Authority Chairman Vince Lane, the Tribune has learned.

Federal investigators have subpoenaed bank records pertaining to Lane's Continental Plaza shopping mall at 7600 S. Racine Ave., and questioned bank attorneys about a 1993 supermarket lease signed by aides to Nation of Islam leader Louis Farrakhan.

The lease, for a supermarket run by the Nation of Islam, helped Lane refinance the mall's debts and avert a bank takeover, according to interviews and land, court and corporate records.

The lease was negotiated during a series of 1993 meetings in which Lane in turn helped Nation of Islam officials obtain CHA security contracts worth \$2.3 million, records and interviews show.

Lane and Nation of Islam officials could not be reached for comment Monday. In the past they have denied any impropriety.

Federal officials on Monday refused to comment on the probe, but several sources said the inquiry has been under way for months after the Tribune disclosed details of Lane's business deal.

Although the scope of the grand jury investigation is not known, federal prosecutors issued subpoenas for records of several Chicago area banks to determine whether bank fraud may have been committed, said sources close to the investigation.

It was unclear whether Lane, Nation of Islam officials or their business associates had been contacted by investigators or issued subpoenas.

Grand jury investigations are secret, and Justice Department officials denied last month that they were investigating Lane's dealings with the Nation of Islam.

Lane, who took the helm of the CHA in 1988, was celebrated nationally for his innovative police sweeps of gang-infested buildings and his commitment to tenant management.

But Lane and other members of the CHA's board resigned in May amid charges of pervasive waste and fraud. Federal officials took over day-to-day operations of the housing authority.

During the seven years he ran the CHA, Lane juggled a multimillion-dollar portfolio of private real estate investments. Through a set

of linked companies, he owned or operated more than 2,000 units of low-income housing spread from Paris, Texas, to Yazoo City, Miss.

Those companies now face civil lawsuits in jurisdictions around the country. Among recent cases:

■ Attorneys for a Chicago real estate partnership are attempting to collect a \$42,517 court judgment against Urban Services Realty and Management Group, one of Lane's property management companies.

Urban Services had a contract to manage Grove Parc Plaza Apartments, a 504-unit, HUD-financed complex at 63rd Street and Cottage Grove Avenue. The company was accused of misappropriating some \$300,000 from Grove Parc's operating account, court records show.

Lane agreed to a repayment plan and refunded all but \$42,517, according to the lawsuit.

■ Lawyers for a New York investment firm are trying to collect from Lane a \$2.4 million judgment that stems from the foreclosure of a 152-unit apartment complex in Paris, Texas. The judgment was entered in July, a citation filed in Cook County shows.

■ On Oct. 17, Circuit Court Judge Ellis Reid installed a receiver to manage a building at 906-16 W. Agatite after one of Lane's landholding partnerships, LSM Venture Associates, defaulted on a \$320,000 mortgage, court records show.

The apartment building, which housed some tenants whose rent was paid by the CHA, was developed in part with \$800,000 worth of city-insured bank loans, court records show.

The mall in the current probe was developed with some \$4 million of city grants and \$6 million in bank loans. It lost roughly \$1 million a year between 1990 and 1993, according to records filed with the Cook County Board of Appeals.

In May 1993, a bank obtained a court judgment against Lane to collect \$3 million in loans that Lane had guaranteed personally. A day later, Farrakhan's son-in-law, Nation of Islam chief of staff Leonard Searcy Muhammad, signed a \$10,000-a-month lease to become the mall's anchor tenant.

The lease later was dropped, but having it helped Lane restructure his debts and avert foreclosure.

In an interview for a series of stories published by the Tribune in March, Lane said he helped the Nation of Islam's fledgling security firm obtain CHA contracts by putting Searcy Muhammad in touch with City Wide Detective Agency, the company that patrolled Continental Plaza.

Lane said in the interview that he approached Farrakhan to get his approval of both the security and supermarket deals.

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FARRAKHAN'S PROMISE FALLS SHORT  
RESTAURANT FAILING TO BOOST ECONOMY OF BLACK COMMUNITY

It was billed as the palace of the people.

With its whitewashed concrete walls rising from the gritty streets of the Auburn Gresham neighborhood, Louis Farrakhan's Salaam restaurant was designed to rise above urban decay and hopelessness and inspire impoverished African-Americans to seize their own destinies.

"We place this in the heart of the quote-unquote ghetto to say to black people, 'We love you and you are worth every dime we invest in you,' " Farrakhan said at the South Side restaurant's grand opening a year ago. "This is your place. Come here and be treated like the kings and queens you really are."

Farrakhan said that Salaam, built with \$5 million in donations from his followers, would serve as the cornerstone of a black-financed business empire that would soon spawn franchises and related businesses, and spark development in black neighborhoods across the country.

The effects would be felt immediately in Auburn Gresham, Farrakhan said, where by the end of 1995 ground would be broken on a 2,000-seat performing arts center funded by profits from the restaurant and donations from followers.

But even as Farrakhan continues to spread his vision of Muslim militancy around the globe--this week criticizing American foreign policy from Iran--and builds on acclaim for his Oct. 16 Million Man March in Washington, back in Chicago, Salaam's fortunes provide one small gauge of his influence at home and his ability to carry out his visions.

Though only a year has passed, and the challenges of building a successful urban restaurant are notoriously difficult--especially in a low-income neighborhood--Salaam may illustrate whether Farrakhan's rhetoric can be matched by reality.

Since the restaurant opened, there have been management changes and layoffs, and the hours have been cut back. The mosque-owned business has accumulated tax debts, court judgments from unpaid creditors and contractors' liens that total about \$300,000, court and land records show. One of those liens is from a Muslim contractor.

And the promise of neighborhood economic development remains a distant dream.

"It has not become a big anchor in the community," said Michael Holmes, a director of the 79th Street Redevelopment Committee.

Local merchants said they have had no meetings with Nation of Islam officials about plans for rejuvenating the area. Residents said that having Salaam up and running is an improvement--the building sat vacant from 1985,

when Farrakhan's mosque acquired the property, until the opening last February--but so far the impact is slight, reflecting the difficulties in quickly igniting development and perhaps Farrakhan's judgment in promising it.

"I can't say it has picked up the community. It wouldn't have made any difference if it was a McDonald's there," said Pamela Nelson, who owns a home around the corner on South Union Street.

Still, said Nathan Anderson, who works for 21st Century Home Improvement Co., "It's just an uplift to the community to know it's black-owned and operated."

Outfitted with an opulent dining room upstairs, as well as a fast-food

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outlet and a bakery, Salaam proves the Nation of Islam leader's commitment to his race, Farrakhan's followers say, and they attribute many of its problems to lackluster support from the very people Farrakhan promises to inspire.

Salaam's acting president, Shalamar Muhammad, declined to detail the restaurant's financial picture, and despite court judgments from unpaid creditors she denied that Salaam had any debts.

"We are paid for in full," Muhammad said.

She added: "What people need to know is that this is their restaurant and we welcome criticism. We are not perfect."

Nation of Islam officials are hoping for a boost next week, when more than 10,000 followers are expected to gather in Chicago for the religion's annual Savior's Day convention.

Salaam will expand its hours and hire about 100 additional staffers, Muhammad said.

The new guests will be greeted by waiters wearing white banquet gloves and gold-embroidered blazers, but the company that supplied those uniforms is still trying to collect a \$12,555 judgment awarded in November, court records show. "We should be paid in the next couple of weeks or so," said Jamie Baer, an attorney for Uniforms to You.

Four food suppliers won court judgments before they collected unpaid bills totaling \$25,181.

The black architect who designed Salaam has filed liens alleging unpaid bills of \$136,110, and four subcontractors have filed liens to collect on invoices totaling \$23,549, records show.

On the day of the Million Man March, a Muslim contractor filed a lawsuit alleging unpaid bills of \$111,822; and in that case an acoustical insulation company has asked that the premises be sold to satisfy unpaid construction bills.

Nation of Islam officials dispute that they owe the bills.

Even some reviews of the food have been lackluster at best, and hinted at what court records show: Despite Farrakhan's promise that Salaam would uphold the Nation of Islam's dietary prescriptions against canned and premixed foods, the restaurant's pantry was stocked with caseloads of instant mashed potato mix, premade pie fillings, canned fruit and vegetables and bottled salad



dressings.

If Salaam had been any other Chicago restaurant, the question of whether it sparked neighborhood development would never arise. But Farrakhan made that the issue at Salaam's opening ceremony, and even his supporters say the expectations he stirred up then were impossible to meet.

"His was a noble idea. The area does need economic stimulus," said Leon Finney Jr., head of The Woodlawn Organization. "But to spark it with a single retail operation, that's tough."

"To really have an impact on that neighborhood, which in my opinion has deteriorated over the years, you'd need a mall with at least two anchor stores and a number of satellite shops," said real estate developer Dempsey Travis.

"For restaurants to spark development, they usually have to be clustered, as they are in Chinatown or Greektown, where people come from elsewhere to walk around and buy an experience and leave some of their cash," said Jim Capraro, executive director of the Greater Southwest Development Corp., a group dedicated to neighborhood revitalization.

"Being in the black community, people want it to be successful," said John Meyer, owner of The Retreat, an upscale restaurant in the Pullman neighborhood.

But because Salaam is in a black neighborhood, Meyer added, "You cannot give people any reason not to come back. What I get from customers, (Salaam) gives them reasons not to come back."

Meyer said, "You will have bad days, but you cannot string along too many."

When Salaam first opened, it became an instant hot spot.

"When we were new, you couldn't get through here," said Muhammad, explaining that reservations were booked solid and vehicle traffic on 79th Street often came to a crawl as patrons made their way to Salaam. "But when

the newness wore off, the boom was over."

Some middle-class African-Americans say they do not patronize Salaam because they prefer to go downtown or to more affluent neighborhoods when they dine. Also, in the immediate community is a large number of working-class homeowners and elderly, restaurant experts note, two groups that generally do not eat out often.

PHOTO: As a worker polishes a chandelier in the dining room Wednesday, economic improvement beyond Salaam's walls remains a difficult task. Louis Farrakhan had said the restaurant quickly would help generate a black-financed business empire.

PHOTO: The sign for Louis Farrakhan's Salaam restaurant has a dominant spot in the business district along West 79th Street. Tribune photos by Ovie Carter.

PHOTO: Salaam's acting president, Shalamar Muhammad, says, "What people need to know is that this is their restaurant and we welcome criticism."

Tribune photo by Ovie Carter.

MAP: Salaam.  
Chicago Tribune.

KEYWORDS: CHICAGO BLACK GROUP RESTAURANT NEIGHBORHOOD PROFILE  
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## LANE INDICTED-BULLETIN

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### CNS-31 HERNANDEZ BULLETIN AND STORY LANE INDICTED

A former head of the Chicago Housing Authority was indicted Wednesday in federal court on charges he lied to obtain a bank loan worth nearly \$2 million.

While employed as CHA chairman in 1993, Vince Lane lied to get a \$1.9 million loan, according to the five-count indictment. He is now facing one count of bank fraud and four counts of making false statements to influence a loan.

Lane, 58, whose last known address is in Philadelphia, left the agency in 1995, U.S. Attorney's office spokesman Randall Samborn said. The charges stem from personal business transactions and are not related to his tour of duty with the CHA, Samborn added.

According to the indictment, Lane was part of a limited partnership called Continental Commercial Partners, which built a shopping plaza in the mid-1980s at 76th Street and Racine Avenue. In the early 1990s, the center fell into "financial distress," an U.S. Attorney's office news release said.

Lane, who handled all the financing matters for the partnership, falsely stated to American National Bank in 1993 that he leased a vacant section of the mall in order to obtain the \$1.9 million loan, the release said.

He then lied to the bank again in February, 1994, to cover up his tracks and disguise the fact that the grocery store had not opened and no rent had been collected, according to the release.

No court date was available.

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# Ex-CHA reformer Lane is indicted

## Former agency chief is accused by U.S. of fraud in getting loan

By Matt O'Connor  
TRIBUNE STAFF WRITER

Vincent T. Lane, the colorful and controversial former chairman of the Chicago Housing Authority, was indicted by a federal grand jury Wednesday on charges he fraudulently obtained a nearly \$2 million bank loan in 1993 to refinance a troubled South Side shopping center he co-owned.

The five-count indictment alleges that Lane misled American National Bank into believing he had a signed lease for an anchor tenant to locate in the vacant shopping center—a key condition the bank required before granting the \$1.9 million loan.

Lane claimed he had a lease signed by an aide to Nation of Islam leader Louis Farrakhan to open a supermarket at the mall, but that deal had fallen through months earlier, the indictment charges.

Though Lane was CHA chairman at the time, the charges involve his personal business interests, not his public duties, U.S. Atty. Scott Lassar said in announcing the indictment.

Lane's lawyer, Royal B. Martin, said his client will fight the charges and expects to be vindicated.

Lane took the helm of the CHA in 1988 and was celebrated nationally for his innovative police sweeps of gang-infested building and commitment to tenant management. But in 1995 he and other members of the CHA's board resigned amid allegations of pervasive waste and fraud, and federal officials took over day-to-day operations.

A Tribune investigation in 1995 of business ties between Lane and the Nation of Islam helped spark the federal probe of Lane's Continental Plaza shopping center at 76th Street and Racine Avenue.

Lane and other investors acquired the property from Loyola University in the mid-1980s, obtained financing through several banks, and opened the shopping center in 1988 with a grocery store as its anchor tenant.

## Lane: Charges allege lying to get \$1.9 million loan.

CONTINUED FROM PAGE 1

By 1992, though, the owners had fallen behind on more than \$3 million in loan payments, banks sued to shut down the center and the anchor tenant closed its grocery.

That left Continental Plaza and its owners "in severe financial distress," the indictment alleges.

In early 1993, Lane proposed a complex refinancing plan that he contended would make the shopping center economically viable, authorities said.

Under Lane's plan, the banks' debt would be sharply reduced or wiped out with further investments by other investors and a new \$1.9 million loan from American National Bank. In return, the banks would drop their lawsuits, according to the indictment.

But after American National said it would not go ahead with the deal unless the shopping center owners signed up an anchor tenant, Lane arranged for a lease for a supermarket run by the Nation of Islam, known as Your Supermarket Inc. and later Shoppers Lane, according to documents obtained by the Tribune.

Lane told the Tribune in 1995 that Leonard Searcy Muhammad, Farrakhan's son-in-law and chief of staff, agreed to a \$10,000-a-month lease on a grocery there.

Farrakhan approved the deal that helped rescue Lane from a personal financial disaster, according to documents.

The Tribune reported that the lease was negotiated at a time that Lane in turn helped Nation of Islam officials obtain CHA security contracts worth \$2.3 million.

By August 1993, after an introduction by Lane, Muhammad, who had little experience in operating a grocery store, agreed to team up with an undisclosed real estate developer on the project, according to the charges.

But two months later, the developer hooked up instead with an experienced grocery store oper-

ator, leaving the Nation of Islam out of the venture, authorities said.

The indictment alleged that Lane "was advised of and agreed with" the developer's decision to exclude Searcy Muhammad.

According to the indictment, Lane falsely told American National that the Nation of Islam lease was a signed and sealed deal, prompting the bank to issue the \$1.9 million loan.

The charges allege that Lane was never able to line up an anchor tenant and he and his partners defaulted on the loan.

Martin said his client couldn't be reached for comment.

Martin contended there were no real victims and that because Loyola University had agreed to guarantee the \$1.9 million if it fell through, the bank didn't lose any money other than about \$35,000 in legal expenses.

Before Loyola had to cover the debt, its investments with the money earned the university some profit in the deal, Martin contended.

The bank declined to comment, and Loyola issued a brief statement saying it had cooperated with the FBI and U.S. attorney.

Lassar told reporters that Lane had benefited financially because the refinancing plan wiped out about \$2 million in personal guarantees Lane had made in case the deal collapsed. As a result, he staved off foreclosure and gained several more years to try to locate an anchor tenant, Lassar said.

Paul Mittleman, a former business associate of Lane's, said Wednesday that he found it difficult to believe that Lane had broken the law but faulted him for a "burning desire to get tasks done too quickly."

"Vince always wanted things to happen before they were ready to happen," said Mittleman, former chief financial officer for Lane's defunct American Community Housing. "But on the other hand, I've run into characters in the real-estate business who take things far beyond what Vince was doing."

Tribune staff writers David Mendell and David Jackson contributed to this report.