

Lake City Reporter

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SUNDAY EDITION



Kids flock to Tinkerlab 1D



All-State teams announced
SEE SPORTS, 1B



CHS heads to VSU

Tigers are bound for Georgia a week after 7-on-7 tourney

1B

COUNTY COMMISSION

Fund fuels incumbents

Ex-commissioner says 'year-end' cash is meant to boost re-election prospects.

By **CARL MCKINNEY**
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A \$2 million budget surplus might be helping incumbents bol-

ster their public images for the upcoming elections.

Former County Commissioner Jody DuPree said the money, known as "year-end cash," is used

by incumbents for projects intended to score political points with their constituents.

"There's no question in my mind it's political," he said. "It was just known."

While the whole commission

FUND continued on 3A



Frisina



Nash



Williams

MORE INSIDE

■ **Opinion:** 'Year-end cash' is a slush fund by any other name, Page 4A.

KENNETH WITT'S PEANUT BOIL

'So good to see all these people'

Kenneth Witt scoops freshly boiled peanuts during his birthday celebration Saturday. The former three-term county commissioner has been hosting the event for decades, watching it grow as he made more friends. He says his daughters will likely host the event next year.



Photos by **CARL MCKINNEY**/Lake City Reporter

Huge crowd helps former commissioner celebrate 83rd birthday.

By **CARL MCKINNEY**
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KENNETH WITT stopped to greet one of the many guests in his living room.

"I keep forgetting it's your birthday today," the visitor said. "I don't know what happened, we all got old. Every one of us."

Witt's 83rd birthday on Saturday was also likely the last time he will ever host his annual peanut boil.

His lungs are deteriorating fast, he said, but the occasion was still a joyful one.

"It feels good to see all these people," he added.

Visitors from Lake City and beyond gathered under a tent in his yard, the rain not deterring

WITT continued on 5A



Kenneth Witt (left) greets his longtime friend, George Clemons. The two worked together at the Florida Highway Patrol. "I've always loved Kenneth," Clemons said.

Lawsuit: Sawmill's claims are a sham

Whistleblower: Klausner lied to federal officials and misused millions.

By **KAYLA LOKEINSKY**
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LIVE OAK — An Austrian company that promised to bring growth and prosperity to North Florida with its Suwannee County sawmill is being sued by a former employee for lying to the federal government and misusing millions of dollars in local, state and federal funds, court records show.

Emma Tirella, 42, a former Klausner

KLAUSNER continued on 2A

Lifeguard continues suit over EMS pact

Second panel picks rival for county's new contract.

By **CARL MCKINNEY**
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Lifeguard Ambulance Service is continuing its lawsuit against the county in an attempt to secure an emergency medical services contract.

The company is petitioning a court to force the county to throw out a bid from Century Ambulance, making Lifeguard the

EMS continued on 3A

Local police urge PokemonGo enthusiasts to play safely

Since game's July 6 launch, players have seen car crashes, robberies, stabbings.

By **SAM BURROUGHS**
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From dawn until dusk, PokemonGo players can be found

in droves in Lake City.

PokemonGo, a game for smartphones, requires players to explore their surroundings to

advance in the game. It uses GPS signals to plant characters out in the community and uses the phone's camera to superimpose them onto the screen, creating an augmented reality.

Players have to go to specific locations to catch, train and battle the characters. They also have to

walk certain distances to hatch eggs for new characters.

In Lake City, two of the most popular spots for players to congregate has been Olustee Park and Lake DeSoto.

People are not supposed to be able to advance in the game while driving but the game has

a glitch: Driving slowly enough allows people to play without having to walk. Local players said they have seen countless drivers looking at their phones while they make slow circles around the lake.

POKEMON continued on 3A



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COMMUNITY
New offices for United Way of Suwannee Valley, 1C.

Boil water notice for McFarlane Avenue

Contamination caused by busted fire hydrant.

By NICK ROLLISON
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A broken fire hydrant at the intersection of Southwest Lake Montgomery Avenue and Southwest Siesta Place has led to a boil water notice for McFarlane Avenue to Jaguar Glen in the area of Grandview Avenue, according to Lake City utilities officials.

Brian Scott, director of distributions and collections for city utilities, said his employees had been upgrading and exchanging outdated fire hydrants for the past couple of weeks when the leak struck.

"This one just happened to be a little bit looser at the bottom," Scott said. "So it started slipping back off of the pipe it was on, which created a bad leak."



BRIAN SCOTT/Special to the Reporter

Lake City employees Austin Mayo and Joseph Howell work on a broken fire hydrant by installing an underwater valve Thursday afternoon.

As a precaution, the city advises that all those in the affected area boil water used for drinking, cooking, making ice, brushing teeth or washing dishes. A rolling boil of one minute is sufficient, or alternatively, any bottled water may also be used.

Two samples are being

sent to labs for a bacteriological survey in order to see if the water is safe to drink, Scott said. However, since the labs do not perform tests on Friday, the earliest that the samples can be tested is Monday.

Both samples, each requiring 24 hours for testing, must pass inspection, Scott said. He

is hopeful that there will be no issues with the provided samples and that the results will be back on Wednesday.

Scott said door tags will be put on the residences affected by the leak and that notices will be sent to the Reporter.

For more information, call the CLCUD at 758-5492.

KLAUSNER

Continued From 1A

Lumber One office manager from Live Oak, says the company repeatedly lied to federal, state and Suwannee County officials to obtain public grants and funding, then misused those funds.

Klausner received more than \$70 million in all, including several million from the Suwannee County Commission and the Suwannee County School Board.

Tirella, who says she was fired for bringing the deception to the attention of Klausner officials in Live Oak, filed suit under the federal False Claims Act as a whistleblower and is entitled to receive 25 to 30 percent of the proceeds of the case plus attorneys' fees. The suit seeks treble damages plus \$10,000 for each violation of the False Claims Act. The case was filed in March but not unsealed and made public until last month.

The federal government declined to intervene in the suit but allowed Tirella to proceed in the government's name, and ordered the case not be settled or dismissed without permission of the U.S. Attorney General.

When Klausner first proposed building a lumber production facility in Suwannee County back in 2012, the Austrian-based company was on the brink of bankruptcy and was closing its European sawmills, the suit claims.

The Live Oak mill, to be constructed at a state-sponsored "catalyst site" near the U.S. 90/Interstate 10 interchange, was touted by the company as an "investment to create quality jobs in this rural community," according to court documents. The lawsuit says the company "took advantage of state and local governments' hopes of industry and job growth" with promises of 350 full-time jobs and the production of 700 million board feet of lumber per year.

Based on such promises, state and local governments "went to great lengths to attract the company to Live Oak and provided significant support to help make the project happen."

But Tirella claims Klausner lied about job creation in order to receive grants and funds through various government programs. The company instead used the money to help prevent bankruptcy at its European facilities and to provide benefits to the German employees it allegedly brought in under false pretenses.

In order to obtain funding

from the federal EB-5 visa program, which encourages foreigners to invest in American jobs in exchange for a U.S. green card, Klausner misled investors by exaggerating the nature and scope of the Klausner Lumber One project, the lawsuit says.

While on a 12-day trip to China to recruit investors, Klausner Trading USA's president of international business development Thomas Mende "knowingly misrepresented that the project would receive extensive public funding and that it would generate 2,300 direct and indirect jobs," the suit claims.

Based on Klausner's promises of jobs, United States Citizenship and Immigration Services, or USCIS, released \$49.5 million in EB-5 financing to the company.

Klausner also received about \$19.5 million in land, services, incentives, aid and tax abatements from the state and county governments with similar job creation and training requirements.

Based on Klausner's representation that it would create 350 new, full-time jobs for Florida residents and establish a specialized training program, the Suwannee County School Board provided the company with \$1.3 million.

The Florida Department of Transportation provided \$1.75 million to Suwannee County to extend a four-lane section of U.S. 90 near the site. Suwannee County invested \$3.5 million into the purchase of the property and clearing of the mill site.

These funds were in addition to funding that came from various state and federal grants, including \$3.37 million from the Rural Community Development Revolving Loan Fund Program.

According to the lawsuit, however, Klausner "ignored its financial obligation to local businesses" by funneling grant money back into its Austrian and German facilities to prevent bankruptcy instead of reinvesting it into its Live Oak plant or the local community as required under the terms of the grant programs.

In addition, Klausner mispent hundreds of thousands of dollars per month for apartments, hotels, rental cars and flights for the European employees who were brought in to work at the mill, as well as reimbursements for meals and gas, court documents said.

These European employees were sent to the U.S. on trainers' visas but were paid from the instructors' wages portion of one of the grants. The lawsuit claims

the Europeans who came to the Klausner Live Oak facility were not "trainers" but regular employees.

The suit claims Klausner repeatedly told the European employees that "we don't like titles; we are a team."

"This is because the European employees could not be addressed by the position they actually held, as the company misrepresented that they were 'trainers' in order to qualify for federal and state grant funds," the suit alleges.

Tirella personally saw grant checks for large sums filtered through the state and then through the Suwannee County School Board for "training that was never actually provided," the lawsuit says.

The documents also said Klausner Lumber One was "never on track to meet its job creation requirements" of having a full staff of 350 Florida resident employees by the middle of 2016.

In order to qualify for the millions of dollars in federal, state and local grant money as well as the \$49.5 million in EB-5 financing, Klausner Lumber One conducted a mass hiring mark in the first quarter of 2015, the lawsuit said.

According to court documents, on one occasion Tirella was told to "just call people and hire them over the phone (12 in one day,) regardless of qualifications."

Toward the end of spring 2015, once the funds were received, the company needed to do a massive layoff, but did not want to register an "official layoff" or wait 60 days as required by the Worker Adjustment and Retraining Notification Act, court documents said.

So, workers were reviewed by their supervisors and scored from 1 to 3. At the end of June 2015, all the employees who received a "3" were fired, according to the suit.

The lawsuit states that over 150 people were terminated in June and July of 2015.

After this mass firing, Mende "falsely asserted that the company was still on schedule to reach the anticipated full staff of 350 by the middle of 2016," according to the suit.

Klausner Lumber One is now trying to obtain \$5.3 million in public funding for a CSX railway spur near U.S. 90 that would extend through the back of the plant to "support purported sales to China," the lawsuit says.

QUICK HITS

Scripture of the day

"For in him dwelleth all the fulness of the Godhead bodily. And ye are complete in him, which is the head of all principality and power" (Colossians 2:9-10, KJV).

Thought for today

If you don't have time to do it right, when will you have time to do it over?

— John Wooten (born in 1936), former NFL player who was inducted in the College Football Hall of Fame in 2012.

Winning lottery numbers

Cash 3: (Saturday) 2-1-6
Play 4: (Saturday) 4-5-4-5
Fantasy 5: (Friday) 2-7-9-26-30
Florida Lotto: (Wednesday) 1-13-14-28-36-40-x4
Powerball: (Wednesday) 3-15-29-54-57-10-x3

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• **SUBMISSIONS:** Send your announcements to eransburg@lakecityreporter.com. Fax items to 752-9400. For more information, call 754-0424.

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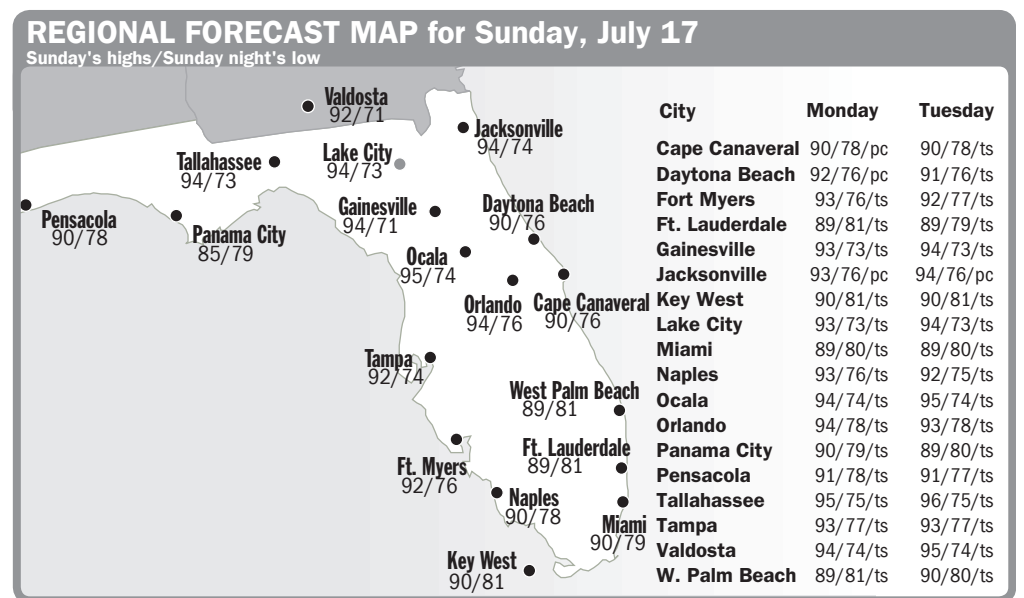
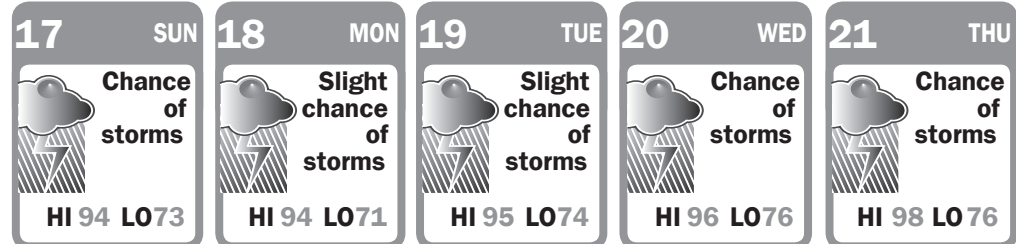
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Mail rates
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24 Weeks \$82.80
52 Weeks \$179.40

THE WEATHER



LAKE CITY ALMANAC

TEMPERATURES

High Saturday	90
Low Saturday	71
Normal high	91
Normal low	72
Record high	100 in 1893
Record low	64 in 1967

PRECIPITATION

Saturday	0.00"
Month total	3.97"
Year total	19.77"
Normal month-to-date	3.27"
Normal year-to-date	26.38"

UV INDEX

12

Extreme
20 mins to burn
Today's ultra-violet radiation risk for the area on a scale from 0 to 10+.

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FYI

An exclusive service brought to our readers by The Weather Channel.

WEATHER BY-THE-DAY

Day	Actual high	Average high	Actual low	Average low
Sun	96	95	97	97
Mon	95	97	97	93
Tue	97	97	93	90
Wed	97	93	90	90
Thu	93	90	90	90
Fri	90	90	90	90
Sat	90	90	90	90

WEATHER HISTORY

If you've been to the tropics during the summer, you will be familiar with its warm and muggy climate. On this date in 1952, Key West, Fla. tied a record low temperature for July with a 69 degree reading. The only other July reading below 70 degrees for the city was recorded on July 1, 1923.

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