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HE NEW BSERVER

WEDNESDAY, JUNE 30, 2010

Budget snips and trims,

kicks deficit down road

Brookie McLamb, 63, of Benson, is recovering from heart surgery. Felicia McNeil, a home-care assistant, and

McLamb's daughter Barbara McLamb, right, help. The budget cuts \$50.7 million to in-home care services.

COREY LOWENSTEIN - clowenst@newsobserver.com

Shakedown? Republicans criticize a

MONEY WOES ALL OVER

Budget fallout: DOT, HHS and UNC will grapple

expire and federal stimulus dollars evap-

"I've heard all this talk about tough deci-

sions," said Rep. Johnathan Rhyne, a Lin-

colnton Republican. "I suggest to you there's not one tough decision in this bill."

scheduled for today. It is expected to pass,

and Gov. Bev Perdue is expected to sign it.

This year would be the first in seven that

the state has had a budget in place before

"As it stands after today's vote, this bud-

get is a clear win for the people of North

Carolina," Perdue said in a statement after the vote. "We took big cuts and made hard

SEE BUDGET, PAGE 8A

The budget plan requires one more vote,

►8A

►3B

The \$19 billion measure is likely to pass today

with budget cuts.

Democratic fundraiser.

the fiscal year starts.

By Benjamin Niolet, Eric Ferreri

STAFF WRITERS

voted for a \$19 billion budget Tuesday that

avoided many of the deepest cuts under

consideration, but leaves a deficit for next

No one is claiming to be thrilled with the

budget, which covers the fiscal year that

begins Thursday. Democrats, who control

both legislative chambers and write the

budget, noted that they propose to cut

spending across all categories of govern-

ment to cope with an \$800 million revenue

decisively to create jobs, encourage eco-

nomic activity and provide job training

and educational opportunities and protect

core government services," said Rep.

Republicans say Democrats just didn't

cut enough and didn't take measures to

deal with next year's deficit, which is as-

sured, as tax increases adopted last year

You'd think Greg Taylor

He'd

prison.

He'd lost

Mickey Michaux, a Durham Democrat.

"A priority for this legislature was to act

year that could swell to \$3 billion.

shortfall caused by the recession.

RALEIGH - House and Senate Democrats

AND LYNN BONNER

MORE NEWS

UPDATES ALL DAY AT NEWSOBSERVER.COM



DOW AVERAGE FALLS BELOW 10,000

Other indexes fell on worries about the global economy. The sell-off began in Asia after researchers revised a Chinese index of economic indicators to its lowest in five months. 4B

STATE STARTS HIGH-RISK POOL

North Carolina could begin taking applications Thursday for a federal program that will allow chronically uninsured patients with pre-existing conditions to get coverage. 1B

EAT YOUR SQUASH

For more than a decade, friedsquash Wednesdays have been an event at the legislative cafeteria. Revenue spikes by thousands of dollars.

KAGAN MATCHES WITS WITH SENATORS

Judiciary Committee members peppered her with questions to discern a philosophy and sense her temperament.

STORM CHASES OUT **OIL CLEANUP BOATS**

Less skimming work, combined with gusts driving water into the coast, has left beaches especially vulnerable. 5A

LARRY KING IS SIGNING OFF

The 76-year-old will end his quarter-century run on CNN this fall. He'll still do specials now and again.

WEATHER



Today: The heat finally gives us a break. High 85, low 58.



Thursday: Partly cloudy and even cooler. High, 81, low 58. 8B

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conviction overturned. But ... he hadn't yet tangled with the N.C. Division

his wife and missed his daughter's childhood before finally, finally having his

Ruth

Sheehan

of Motor



driving is restricted. Innocence

Commission. He was pardoned by Gov. Bev Perdue. On Monday, he was awarded three-quarters of a million dollars for his ordeal. (That's \$50,000 a year for 15 years the number of years at which damages are capped. I guess

Yet he had unfinished

Taylor's

Free again? Not on the road the other two years were undeserving of recompense?)

> business. See, Taylor's license had been revoked in 1989 for driving while intoxicated. He would have gotten it back long ago except for one small detail: He was behind bars.

> So after his release, Taylor, now 48, set about restoring his driving privileges. First step was an alcohol and drug assessment. Cost: \$100.

"The guy who was my counselor had been sober 15 years," said Taylor, who has

SEE SHEEHAN, PAGE 9A

Judge orders **Geddings** freed

Justices' ruling undid conviction

By J. Andrew Curliss

A federal judge Tuesday ordered former state lottery commissioner Kevin Geddings be set free immediately.

U.S. District Court Judge James Dever III issued the order after prosecutors acknowledged that a U.S. Supreme Court decision last week upended Geddings' 2006 conviction on "honest services" fraud charges.

The order was faxed to the federal prison in southern Georgia where Geddings has been held since July 2007. A jailer there declined to say



served 3 years.

whether Geddings had been released by Tuesday night. His family could not be reached.

Dever's order directed the warden there to release Geddings immediately. Geddings will be required to check in with the federal probation office in Raleigh, the order says.

Geddings' release comes as his lawyer seeks to also have his conviction vacated. While that process is under way, prosecutors agreed in a motion filed Tuesday that Geddings should be released. Geddings' lawyer asked Dever to act swiftly, and the judge did.

Federal prosecutors also paved the way for the trial verdict to be vacated. U.S. Attorney George Holding and two other prosecutors who led the case against Geddings filed a motion in support of setting his conviction aside, meaning Geddings would no longer be considered a felon.

The trial of Geddings, a well-known Democratic political consultant and former chief of staff to the governor

SEE GEDDINGS, PAGE 8A

WINNERS

Teachers: State lottery money saves 1,600 jobs.

Community college students: \$33 million for new nign-tecn equipment. Low-income AIDS patients:

More help paying for prescrip-

Ferry riders: A bigger ferry subsidy and still no tolls on most

State employees: No pay cuts.

LOSERS

Athletic boosters: No more instate tuition for out-of-state ath-

In-home personal care recipients: 18,000 will lose services. School bus riders: Bus pur-

chases suspended, except for emergencies. Automobile drivers: Highway

maintenance spending cut by \$4.4 State employees: No raises.

Drug money flows through U.S. banks

By Michael Smith

Just before sunset on April 10, 2006, a DC-9 jet landed at the international airport in Ciudad del Carmen, 500 miles east of Mexico City. As soldiers on the ground approached the plane, the crew tried to shoo them away, saying there was a dangerous oil leak. The troops grew suspicious and searched the jet. They found 128 black suitcas-

es, packed with 5.7 tons of cocaine, valued at \$100 million. Law enforcement officials also

INSIDE

Assassination: Candidate's slaying shows gangs' reach. ▶6A

discovered something else.

The smugglers had bought the DC-9 with laundered funds they transferred through two of the biggest banks in the U.S.: Wachovia and Bank of America.

This was no isolated incident. Wachovia, it turns out, had made a habit of helping move money for Mexican drug smug-

SEE BANKS, PAGE 9A

tree Installation



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