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THIS PACKET OF ARTICLES SHOWS HOW MEDIA OUTSIDE OF NEBRASKA VIEW THE FRANKLIN MATTER. (E.C.C.)

Part III

Judge freezes assets of GOP booster King

By Laura Outerbridge and Jim Keary
THE WASHINGTON TIMES

Lawrence E. King Jr., who frequented the Washington social scene and for three years courted Republican officials in hopes of gaining a top political appointment, had his assets placed in receivership yesterday by a Nebraska federal judge in connection with an alleged \$34 million embezzlement.

Mr. King, 44, who emerged as a spokesman for minority involvement in the GOP and was often quoted in news articles, is the defendant in a \$34 million civil suit filed in U.S. District Court in Omaha, Neb., by the National Credit Union Administration on behalf of the Franklin Community Credit Union in Omaha.

The suit alleges that Mr. King "used credit union funds for his own personal and

business expenses" over the 18 years he was treasurer of Franklin Community Credit Union, said C.L. Robinson, attorney for the credit union.

Mr. King left the credit union Nov. 4. The suit was filed Nov. 14, and within a few days the defendant began selling his furniture and other property, Mr. Robinson said. "That's one of the reasons we asked for receivership," he said.

The court order placing Mr. King's assets into receivership said in part that "the property and funds ... are in danger of being lost, removed or materially injured." Omaha lawyer Keith I. Frederick was named receiver of the assets.

William E. Morrow, Mr. King's attorney, admitted "there's some merit to" the plaintiff's claims that Mr. King was selling his belongings, but said the purpose was to

pay outstanding bills to creditors.

Meanwhile Assistant U.S. Attorney Thomas Thalken of Omaha said yesterday Mr. King is under investigation by the FBI and the IRS on fraud and tax charges. Mr. Thalken said the results of the investigation would be turned over to a federal grand jury, "as any other criminal investigation would be."

Though his permanent residence is in Omaha, Mr. King was a frequent fixture on the Washington social scene. He had a reputation for throwing lavish parties for congressmen and other important politicians at such locations as the Ritz Carlton Hotel, where he often stayed as a guest, according to an acquaintance of Mr. King who asked not to be identified.

Mr. King was open about his ambition to become ambassador to Jamaica, where

(NOT REPORTED BY THE OMAHA W-H.)

some of his wife's family lived, the source said.

In addition, Mr. King hosted receptions during the 1984 Republican National Convention in Dallas and the party's 1988 convention in New Orleans, said Harvey Schwartz, executive director of the Nebraska Republican Party in Lincoln, Neb.

The reception in Dallas was held at the South Fork Ranch, site of the television show "Dallas" and the New Orleans affair was "a miniature Mardi Gras," the Nebraska GOP official said.

During the New Orleans reception, a King-financed television commercial designed to persuade blacks to support the presidential nomination of Vice President George Bush was premiered. The party

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The Washington Times
Lawrence E. King Jr. attends the National Lync Opera Ball in February 1986.

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was sponsored by the Council of Minority Americans, according to an account in the National Journal.

Mr. Schwartz said about 1,000 people attended the 1988 reception, and he said he saw people he knew as Republican National Committee officials at the reception. He said, however, he could not identify them because "they were milling around, like everyone else."

Mr. Schwartz also said Mr. King

sang the national anthem at the party's national convention in 1984 and at the Nebraska state convention in 1986.

Beth Brainard, spokeswoman for the Republican National Committee, said Mr. King had contributed \$500 to the RNC three years ago, but had no other connections to the party. She said the committee had no record of the credit union in its contribution files.

"He does not have any ties to the RNC," Ms. Brainard said. "I understand he put on a big minority shindig at the convention."

Ms. Brainard confirmed that Mr.

King held the receptions during the conventions, but the receptions were not affiliated with the committee, the party or the convention. She said she did not know if Mr. King had sung the national anthem during the 1984 convention.

Mr. Schwartz said Mr. King served on the National Black Republican Council, but Ms. Brainard said she did not know if the council was affiliated with the NRC.

"If he's involved in the Republican Party on the national level, it's a secret to all of us," she said.

David Carmen of Carmen Carmen Hugel Inc., a Washington public

relations firm that represented Mr. King, organized the New Orleans reception — described as a gala honoring black Reagan administration appointees.

"He's [Mr. King] been a contributor to Republican causes and active in the party," Mr. Carmen said. "I was very surprised and shocked at the [embezzlement] allegations. I have no idea about whether they're true or not."

(See how they run!)