

# THE SEWER MONSTER!?!

LOCAL & STATE, 3B

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STYLE  
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# The Charlotte Observer

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## BUILDER SETTLES FEDERAL MORTGAGE FRAUD CHARGES

# Beazer agrees to pay victims \$50 million



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**ANGRY HOMEBUYERS:** The Tingley family - parents Mark and Lea and Mason, 6, (left) and Courtney, 8 - have a Beazer-built home in the Southern Chase subdivision in Concord. "I'm glad they actually admitted to their mistakes," said Lea Tingley. At a Beazer employee's suggestion, Lea Tingley omitted from her application a monthly car payment of \$350.

## Builder admits to charges of encouraging buyers to overstate income

**BEAZER CHARGES, SETTLEMENT**  
Read the court documents that detail the allegations against Beazer at [charlotteobserver.com/business](http://charlotteobserver.com/business)

**BY KIRSTEN VALLE**  
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Federal investigators on Wednesday filed mortgage and accounting fraud charges against Beazer Homes USA, but the homebuilder will escape prosecution because it agreed to pay \$50 million to victims and accepted responsibility for its actions.  
The charges, entered in U.S. District Court in Charlotte, relate to Beazer's participation in a scheme

designed to fraudulently increase its mortgage company's profits and sell homes, as well as an accounting scheme designed to "smooth earnings."  
As a result, authorities said, homebuyers defaulted on their loans, and neighborhoods plagued with foreclosures watched home values plummet.  
Beazer has been the subject of state and federal investigations since an Observer series in

March 2007 found that Beazer, once a major Charlotte-area homebuilder, used aggressive sales tactics that contributed to an unusually high foreclosure rate in many of its local starter-home communities, such as Southern Chase in Cabarrus County.  
As part of its settlement agreement with the government, Atlanta-based Beazer "accepts and SEE SETTLEMENT, 7A



GETTY IMAGES FILE PHOTO

NASCAR team owner/driver Jeremy Mayfield, in an affidavit, said his suspension from racing has forced his team to lay off workers.

# Judge doubts drug test, lets Mayfield race again

NASCAR suspended driver in May after positive result for meth, but his lawyers argued that the test was botched.

**BY GARY L. WRIGHT**  
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Questioning the results of a drug test, a federal judge on Wednesday cleared the way for suspended NASCAR driver Jeremy Mayfield to race again - possibly as early as this weekend at Daytona International Speedway.

U.S. District Judge Graham Mullen lifted a suspension against Mayfield that NASCAR imposed in May after the race car driver tested positive for methamphetamine, a potent stimulant that can impair judgment and increase risk taking.  
Mayfield sued NASCAR and Wednesday challenged in court the accuracy of the test procedures and findings. His lawyer contended the test was botched in several ways.

In lifting the suspension, the judge said the likelihood of a false positive in Mayfield's drug test is substantial.

NASCAR's lawyer had warned that Mayfield's SEE MAYFIELD, 7A



**HOW WILL MAYFIELD'S BATTLE END?**  
Scott Fowler column SPORTS

# Defiant Sanford stands his ground



**NOT ALL ARE SOLD ON BAUER**  
Some leaders hold breath over succession, because Lt. Gov. Bauer has had controversies of his own. 10A

## GOP pressure to resign grows; do 'the right thing,' DeMint, McConnell urge.

**BY RODDIE BURRIS, GINA SMITH AND JAMES ROSEN**  
The (Columbia) State

**COLUMBIA** — Gov. Mark Sanford says he's staying put despite friends and political allies pleading with him Wednesday to step down after his latest confessions about an extramarital affair and inappropriate behavior with other women.  
Reiterating he has not misused any state funds, Sanford's staff said



Sanford

the governor will finish out the 18 remaining months of his term.  
Sanford's spokesman said Wednesday the governor is through talking about his personal life - an obvious effort to move forward that is consistent with the belief Sanford can weather this scandal.  
"The governor has given a full and truthful account, and he is finished discussing this matter," said Joel Sawyer, the governor's spokes-

man. "He is focused on being governor, on rebuilding his marriage, and on building back the trust of South Carolinians."  
Close friends of Sanford who have been in regular contact with him described him as defiant. Sanford's "feet are in concrete" in resisting calls for him to quit office, according to sources who have spoken with him in recent days.  
When told his political support has evaporated, Sanford responded to one confidant, "Well, I'll be here until they throw me out."  
Rock Hill Republican Sen. Wes SEE SANFORD, 10A

## In Local & State

# 1,176 lost jobs, CMS says

Charlotte-Mecklenburg Schools issued an updated list Wednesday of 1,176 employees laid off during this year's budget cuts. The hardest-hit school was Myers Park High, which lost 23 teachers and six other employees. Story, 1B

**LEARN ABOUT THE LOST JOBS AT YOUR CHILD'S SCHOOL**  
[charlotteobserver.com/schools](http://charlotteobserver.com/schools)

## KARL MALDEN DIES

The Oscar-winning actor who appeared in "A Streetcar Named Desire" and "On the Waterfront," and later spent 21 years as the trench coat-wearing pitcher for traveler's checks, died Wednesday. He was 97. 4B



# HAPPY CAMPERS, HELPING HANDS

Lunch at Camp Happy Days is at 11, followed by play-dough time and, finally, parent pickup. It's been a full morning, but the preschool-age campers are going strong. The staff, well, not so much.

"It's really, really fun," says Lucinda Bond, 10, who runs the camp. "But I'm really tired."

## THE CLIFF



PETER ST. ONGE

you dizzy."  
Lucinda and Reid, along with 11-year-old brother Brett, are hosting Camp Happy Days each morning this week for six younger children in their Myers Park neighborhood. There have been crafts and songs and games for the campers, well worth the \$50 fee per child - 10 percent of which the staff decided to SEE HELPING, 2A



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**HOW TO HELP**  
See how you can help those in need. 2A

From left, Julia Clardy, Jim Johnson, Lucinda Bond, Davis Johnson, Reid Bond, Marshal Herrman and Brett Bond work on a cooking project in the Bonds' kitchen at Wednesday's Camp Happy Days. The Bond children, who operate the weeklong camp for preschool-age children, are going well beyond their initial plan to donate 10 percent of the proceeds to charity.

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