

Taking from Peter to pay Paul, says suspect

By Craig Piechura
staff writer

A Farmington Hills man, who until last month ran an insurance agency at 3350 Grand River, Farmington, was charged Friday with four felony counts of embezzling money from his clients.

The independent agent, Peter Anthony Drakos, said outside the courtroom that his problems came from taking money from paying clients to pay late or unpaid premiums of other clients. Consequently, close to two dozen clients who paid premiums to the agent and thought they were insured actually weren't, Drakos said.

"It was a situation where you're borrowing from Peter to pay Paul today and you're using Peter's money," Drakos said. "They were insured till the insurance company notified them of cancellation (for non-payment)."

Drakos, who also works as a magician under the stage name "Magical Pete," stood mute on the charges at his arraignment before 47th District Court Judge Michael Hand.

The judge entered four pleas of innocent on behalf of the defendant. He also indicated that a request for a court-appointed attorney would be forwarded for consideration despite the defendant's statement that he owned a house,

two cars and earned an average of \$500 a week when he worked.

Farmington Police Detective Charles Lee said he has compiled 12 complaints from persons in Garden City, Westland, Novi, Walled Lake, Northville and Detroit who paid premiums which weren't forwarded to the parent insurance company. Two of the complainants are the basis of the criminal action: William B. O'Neill, owner of the Master Stage Light Lighting Co. of Detroit and Gerald Elkins of Milford.

Drakos said of "3,000 good files" he estimates there were problems with "only a dozen to two dozen" cases —

problems Drakos blames on persons who failed to pay him. Clients who lost jobs or businesses that went bankrupt, Drakos said, caused him cash-flow problems that began in 1980, resulting in bills that couldn't be covered. In one month alone, he said, he took in only \$3,000 from customers but had to pay insurance companies \$5,000.

Lee said it is unknown how many persons there are who thought they were insured but are uninsured at the moment. Drakos did business with 30 insurance companies. Complaints the police department has already confirmed, he said, show thousands of dol-

lars paid for insurance by uninsured clients.

In some cases, Lee said, clients formerly were insured but dropped when renewal payments weren't forwarded. In other cases, Lee said, no policy was ever taken out after Drakos accepted premiums. More than one client found out they weren't insured by calling the parent company over a problem with a claim, Lee said.

"Anybody reading this article who had insurance dealings with Peter Drakos will want to call the companies listed (on their policy papers) to verify their coverage," Lee said.

All but a handful of his customers hold valid insurance papers, Drakos said. He said he fears that news of his arrest will be devastating to future business.

The Michigan Insurance Bureau suspended Drakos' license last month, according to court testimony.

No date has been set for his pretrial examination, but Drakos remains free on a \$10,000 personal recognizance bond. A single charge of embezzlement by an agent of more than \$100 carries a maximum penalty of 10 years in jail and a \$5,000 fine.



Doug Ross, a former state senator, became accustomed to the television cameras when he used the television cameras to get across a point to his constituency as was the case in this file photo. It was announced by Channel 7 officials that Ross would be serving as an commentator on economics.

TV career awaits Ross

Former State Sen. Doug Ross of Southfield has been named economic analyst for Channel 7 Action News.

"Doug has dealt extensively with national and state economic issues throughout his career, including in-depth analysis of financial trends and business developments," said Tom Rosenbaum, news director at WXYZ-TV.

"His Channel 7 reports will appear on the 6 p.m. newscast, adding more helpful insights to the hard news stories provided by economic reporter Vince Wade."

Ross, who represented the 15th district from 1979-82, lost his bid for a congressional seat in the 17th district last November.

During his tenure as a state senator, Ross founded the University of Michigan's Independent Business Research office, which provides research for better understanding of entrepreneurs' public policy needs.

Prior to that, he served as co-director of Michigan Citizens Lobby, a non-profit organization which he founded in the 1970s. Ross previously worked as executive director of Michigan Common Cause, where he led a successful campaign to enact the state's Campaign Finance Reform Act and Open Meetings law.

Ross' career in economic and public affairs includes duties as speech writer for former U.S. Ambassador Sol M.

Linowitz, executive director of Coalition for a National Population Policy; legislative aide to U.S. Sen. Joseph Tydings of Maryland; and co-director/founder of Detroit's Volunteer Placement Corps.

An honors graduate of the University of Michigan, Ross holds a master's degree in public affairs from Princeton University. He also has studied economics at the graduate level at U-M and the London School of Economics.

Grading discussed

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ling lately in the event that a child is made to repeat a grade. Most instances where children aren't promoted to the next grade, Nutter said, happen in early elementary grades because it's thought that problems caught early stand the best chance of being solved.

East Middle School Principal Alan Bennett said there remains a stigma among students and parents, particularly in higher grade levels, when students are kept back in a grade.

"In Farmington there's a distinct stigma for retention in the minds of many parents and students," Bennett said. "I don't think that's changed."

Poor grades aren't the sole reason for recommending a student repeat a grade, Bennett said. The student who performs close to the best of his ability but still falls short is likely to be pro-

moted because he's making a sincere, though slow, effort to improve, said the middle school principal.

"You don't force people to learn by keeping them in a grade," Bennett said. "A number of kids are retained for maturity and sometimes for academic reasons. Usually, though, when you say maturity you mean poor academic results because of immaturity."

LAST YEAR three students in East Middle School were kept back a grade because of poor academic performance or problems of immaturity, Bennett said. One student repeated sixth grade and two were kept back in seventh grade.

Often a school administrator hears from a parent who thinks it would be a good idea if their child was made to repeat a grade, Bennett said. The final decision is made by the principal.

Brotherton maps strategy for new session

Continued from Page 1

couple years from an accounting standpoint.

"Some funds have been handled on an accrual basis and others on a cash basis depending on what was most convenient. It's not news to anybody that that's part of what the Democratic-controlled Legislature proposed to Gov. Milliken as a way of balancing the budget without making cuts or increasing taxes."

"It's an undesirable situation, but not the kind of thing we need to correct all at one time."

Brotherton espouses the channelling of tax revenue that normally would be used to reinstate programs or start new ones into state coffers to alleviate these accounting discrepancies.

The state will have to deal with cut-backs wherever possible, he said.

Entire colleges and universities, or portions of them will have to be closed. "If that's what it's going to take to eliminate duplications."

"Fewer students will be going to college in the next 10 years because college costs have increased so much," Brotherton said, "and others are opting for vocational school. Here's Wayne State University talking about a new engineering building, yet they're faced with declining enrollment."

"I don't know why in the world they're not covering some other building. Let's face it — a little imagination and ingenuity go a long way."

Brotherton sees plenty of duplication in the health care system. "An issue we really have to face because it's one of those areas of expense that we've been unable to control."

Health care costs have to be controlled if the Legislature is going to find a way to control the budget, he said.

A solution "probably will involve sacrifices of patients, doctors in hospitals and others. Hospitals will have to pass over buying every piece of equipment that comes along that's better and more modern."

THERE ARE some bright spots,

Brotherton said.

"We might end up getting enough of a break this winter that if we can struggle through the next few months we'll save a couple hundred on heating bills."

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