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WEDNESDAY ■ JUNE 25, 2008 ■ 50¢

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### CHARLOTTE-AREA HOME PRICE DROP IS 1ST SINCE '91

Average Charlotte-area home prices fell for the first time over a 12-month period in 17 years. Prices dropped 0.1 percent through April 2008, ending a three-month streak as the only one of 20 urban markets across the country still showing rising home prices. Analysts warned that prices might not have reached bottom. **1D**

### Foreclosure bill near Senate passage

A massive foreclosure rescue bill to aid distressed borrowers cleared a key Senate test by an overwhelming margin and could pass today. But President Bush has threatened to veto it. **3A**

### Charlotte ranks high among 'gas hogs'

Charlotteans are among the nation's worst gas hogs. Men's Health magazine reported Tuesday. The magazine's latest issue ranked Charlotte 90th of 100 cities, placing it among metropolises "that are driving us to extinction." **1B**

### TODAY'S MUST-READS

**Mark Washburn:** A plague of unpleasantness has been unleashed upon us. And in stout Charlotte spirit, we need to find a way to ignore it. Or at least put the best face on it. **1B**

**Saving the Everglades:** It would be the largest ecological restoration in the country's history, if a proposed plan passes for the state of Florida to buy the nation's largest producer of cane sugar, the U.S. Sugar Corp. **16A**

### COMING THURSDAY

**Dapper domes:** Helping men move beyond the baseball cap. **STYLE**

### ONLINE SPOTLIGHT

Charlotte firefighters deliver gifts at Presbyterian Children's Hospital. [charlotte.com/spotlight](http://charlotte.com/spotlight)

94° 63°

**Heating up:** Mostly sunny and warmer this afternoon. More of the same Thursday, then not quite as hot Friday. **8D**

Ask Army.....5F Obituaries.....5B  
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## DOZENS HELD IN GANG SWEEP



The faces of defendants charged in a scheme that spanned two countries, three states and several N.C. cities.

WCNC VIDEO IMAGE

### Federal and local authorities connect MS-13 with 4 killings, other violence.

BY VICTORIA CHERRIE  
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A grand jury indicted 26 suspected members of the notoriously violent MS-13 gang Tuesday — an effort to shut down a culture of intimidation operating in 42 states and five countries.

MS-13 members have been linked to four homicides, drug trafficking and extortion in the Carolinas.

"Today's indictment is merely the latest sign of the gang's reach," U.S. Attorney General Michael Mukasey said in a news conference in Charlotte.

The Salvadoran gang, which has more than 10,000 members, has operation cen-

ters in Charlotte, Greensboro, Durham and Columbia.

At 6 a.m. Tuesday, federal agents and Charlotte-Mecklenburg police made numerous arrests at apartment complexes in south Charlotte and near Mint Hill. In all, 20 people with names like "Smoke," "Sailor" and "Speedy" were arrested after the indictment on federal racketeering and other charges for crimes committed in the U.S. and El Salvador.

The 86-page document, unsealed Tuesday, alleges that three of the gang members murdered four people in Charlotte and Greensboro.

One of the victims was Ulisses Alejandro Mayo, who was shot to death April 12 while

SEE GANGS, 8A

### What MS-13 means:

**Abbreviation for Mara Salvatrucha.** Mara means gang. Salva stands for "Salvadoran." Trucha is slang for "fear us."

**Its reach:** 10,000 members operating in 42 U.S. states and five countries in North and Central America since the 1980s.

**Its hallmarks:** Members wear blue, black and white, often accompanied by the number 13 or some derivative such as 7 and 6. They are known for violent crime and intimidation.



Mukasey

## CMS year-end test results show progress in some areas

Achievement gaps remain wide between urban and suburban classrooms, but some scores slightly higher.

BY ANN DOSS HELMS  
ahelms@charlotteobserver.com

Charlotte-Mecklenburg Schools unveiled test results Tuesday from the past school year that sparked pride, concern and confusion.

Students in the lower grades nudged upward in math and writing. More kids at some high-poverty high schools passed year-end tests.

However, a battery of reforms appears to have done little to narrow the vast achievement gaps between urban and suburban classrooms, particularly in upper grades.

Superintendent Peter Gorman and John Modest, principal of West Charlotte High, sounded a common theme: There's enough good news to celebrate — and enough bad news to keep the glow from lasting.

SEE CMS, 9A

### Scores at a glance

Here are results CMS released Tuesday. Rates represent the percent of exams with passing scores. Reading and science scores will come out in the fall.

#### ELEMENTARY

Math: 71 percent (up 2 points)  
Writing: 58 percent (up 2 points)

#### MIDDLE

Math: 64 percent (up 3 points)  
Writing: 57 percent (up 4 points)

#### HIGH

Combined End of Course exams: 69 percent (up 3 points)  
Writing: 77 percent (up 13 points)

CHECK YOUR SCHOOL  
See how your school did at [www.charlotte.com/education](http://www.charlotte.com/education)

## United Way president gets boost in benefits

The Charlotte nonprofit added more than \$800,000 to the leader's retirement plan in the last fiscal year.

BY KERRY HALL  
khall@charlotteobserver.com

Charlotte's United Way has boosted retirement benefits for its top official to more than \$800,000 — more than six times the previous year, according to the agency's latest tax filing.

The nonprofit contributed \$822,507 to President Gloria Pace King's employee benefit plan in the fiscal year ending June 2007, up from \$108,590 the previous year.

King's annual compensation, including salary, benefits and expense account, now tops \$1.2 million.

The agency said in its tax filing that the increase was part of a new Supple-

mental Executive Retirement Plan created last year for select managers. The current contribution includes 18 months' expense because the plan is retroactive to Jan. 1, 2006, according to the filing. It may also include payments promised in 2001 but not delivered.

Observer calls Tuesday afternoon to the United Way requesting comment from King and other officials were not returned.

Graham Denton, the agency's board chairman, told the Observer's news partner WCNC-TV, the Observer's news partner that King's compensation was deserved.

"She has been here 14 years. She's done a terrific job," Denton told WCNC-TV, the Observer's news partner, which first reported the story.

"We're just fortunate to have what I think is one of the best United Way CEOs in the country. I think she's earned what we pay her."

United Way executives are typically paid more than other nonprofit

SEE NONPROFIT, 8A



GARY O'BRIEN - gobrien@charlotteobserver.com  
Eastland Mall was once a shining jewel of Charlotte's eastside, but a quarter of its tenants have left.

## City takes option on a 2nd part of Eastland

The city now controls two of the mall's five parcels and gets the leverage to help sway future action.

JULIA OLIVER  
joliver@charlotteobserver.com

The city has reserved the right to buy a second property at Eastland Mall, pushing forward an effort to tear down the aging complex and turn it into a mixture of homes and businesses.

Proponents say redesign of the 70-acre site — which has a reputation for loitering, crime and lackluster retail — could transform east Charlotte, where residents have long complained that the city neglects their needs.

"This is the future of the eastside," said council member Nancy Carter.

But the ambitious Eastland Mall project, which eventually would require about \$25 million in public money for roads, sidewalks and other improvements, could be the most expensive of the five business districts the city has agreed to target for redevelopment.

The city's \$750,000 option on the Dillard's store follows an identical agreement made with Belk in March. The two agreements give the city control over two of the site's five properties. The Belk closed in 2006; the Dillard's plans to close in August.

SEE REDEVELOPMENT, 7A

### EASTLAND THEN AND NOW

Watch a historic slideshow of Eastland Mall at [www.charlotte.com/news](http://www.charlotte.com/news)

# United Way president gets big retirement plan boost

## NONPROFIT

■ from 1A

managers, said Aaron Dorfman executive director of the National Committee for Responsive Philanthropy, a charity watchdog group.

Still, Dorfman said, he's rarely seen such a big jump in compensation.

"Nonprofit executives deserve fair compensation packages, but this is outrageous," he said. "Why do people believe that we can retain the trust of the public when we pay people at outrageous levels like this?"

In its annual survey of nonprofits in Washington, Professionals for Nonprofits found managers of social service, educational and arts and culture nonprofits with budgets of \$50 million or more earned \$240,000 to \$300,000 in annual salary. The survey did not include benefits.

United Way of Central Carolinas supports 98 agencies in Mecklenburg, Union, Cabarrus and Anson counties. Last year, under King's leadership, it raised a record \$44 million. King earned a salary of \$365,000 in fiscal 2007.

During that same time, the United Way of Greater St. Louis paid its top executive \$254,487 in salary and contributed \$75,826 for health, dental, life and pension benefits, according to the agency's tax filings. The St. Louis United Way raised almost \$69 million last year.

In Atlanta, the United Way of Metropolitan Atlanta supplemented its CEO's pension with a lump sum of nearly \$1.6 million in cash before he retired in July 2007. Atlanta officials raised almost \$79 million in 2007.

A 2002 Observer investigation compared Charlotte's United Way with other United Way agencies and found King's total pay was fifth-highest among executives for the 50 largest United Ways. Her total compensation in 2001 was \$303,037, including \$30,058 for an employee benefit plan, according to tax returns.

Denton said the goal is to enable King, who is in her

early 60s, to draw 60 percent of her salary once she retires. He said she is eligible to retire in three years. It's unclear what future retirement contributions will be, but Denton said they would be less than the current amount.

Additional retirement payments are common in the private sector. They are used to compensate high-level executives, whose pensions are capped by federal tax law.

King's new retirement plan was originally intended to start in 2001 but it didn't. It's unclear why. As a result, future contributions will be larger "than they would have been" to make up for the lost years, the tax filing says.

Late Tuesday, the Observer asked for copies of King's original employment agreement and any changes made to it since her hiring. The United Way said it would provide the information today.

One consultant wonders why Charlotte's United Way didn't account for King's increasing retirement benefits in the past.

"I think the tough question to answer is if this was promised to (King) in 2001, why was it never booked as a liability for the organization," said Barbara Clare, financial services director for the Management Assistance Program for Nonprofits, a consulting firm that provides technical assistance to nonprofits in the Minneapolis-St. Paul area.

"They should have put it on (the tax form), if it was part of an agreement. And if it wasn't part of an agreement, why are they paying her retroactively to that date?"

Dorfman said it is unusual for nonprofit managers to receive a guaranteed percentage of pay upon retirement. He said he thinks such payments will turn off donors.

"I don't think the people who donated to the United Way wanted their contributions going for excessive executive compensation," he said.

King, who grew up in Cleveland, Ohio, beat out 175 applicants to become head of the United Way of Central Carolinas in 1994.

Kerry Hall: 704-358-5085

## GANGS

■ from 1A

sitting in a car after a children's birthday party on Belton Street in south Charlotte. The other was 24-year-old Yonni Alexander Morales-Maraidaga, who was shot during a 2005 robbery near Eastland Mall.

Others in the gang, also known as La Mara Salvatrucha, were accused of selling cocaine and marijuana, committing robberies and illegally possessing firearms, the indictment said.

Members worked to protect power, territory, and profits by extorting drug dealers and intimidating victims and community members with threats of violence, the indictment said.

They are accused of collecting fees from dealers who sold drugs in Charlotte nightclubs operated by MS-13.

Justice Department spokeswoman Laura Sweeney said law enforcement officers are continuing to make arrests.

MS-13 is an abbreviation deriving from the word "Mara," which means gang in El Salvador. Salvatrucha is a combination of "Salva," an abbreviation for Salvadoran and "trucha," a slang term for "fear us."

Members are beaten during an initiation. They also are required to commit violence to maintain membership, including acts against rival gangs. Assaults, robberies and murder are rewarded with respect and leadership positions, according to the indictment.

The gang first emerged in Charlotte in 2001 at which time police had identified about 20 members. The group was linked in 2003 to a shooting at a boat landing near Lake Wylie, where one person died and three others were wounded.

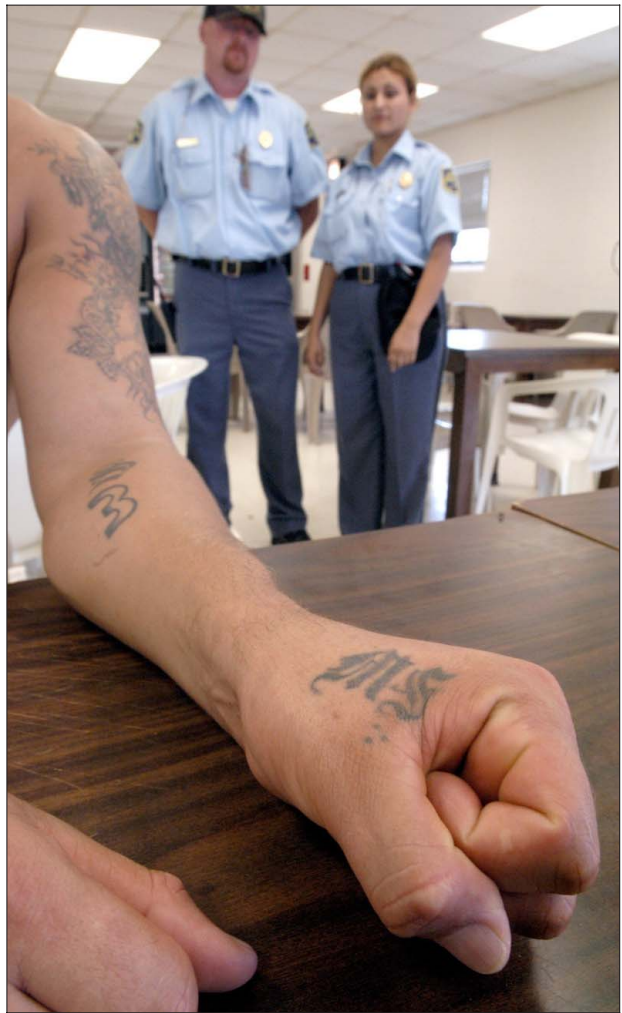
Over the past few years, MS-13 members, who operate in small cliques, met frequently in Charlotte, Greensboro, Durham and Columbia. Charlotte meetings took place in nightclubs; at least two have closed.

Federal authorities say that, during the meetings, members collected dues, discussed business and plotted crimes to gain more territory. Such crimes often involve people they do business with and have caused them trouble, said Charlotte-Mecklenburg police Capt. Stephen Willis, who oversees the department's intelligence and organized crime division.

Many of the gang's leaders - often called "shot callers" or "voices" - are in prison in El Salvador, where members have transferred money, the indictment said.

"They are smart in how they do business," Willis said.

Authorities say there are about 1,800 gang members in Charlotte affiliated with 100 different gangs. Of those, five specifically recruit Latino



STAFF FILE PHOTO

An MS-13 gang member shows a tattoo at a prison in Polkton in this Observer file photo. The gang is known for including thousands of members and was subject of a sweep by federal and local authorities in Charlotte on Tuesday.

## Overhauling N.C. law

N.C. legislators took a step Tuesday toward a major overhaul of state law related to gangs.

On a 50-0 vote, the Senate sent to Gov. Mike Easley a bill that would require local Juvenile Crime Prevention Councils to develop strategies to address gangs. The councils, located in each county, received about \$23 million this year in state funding, much of which is used for local grants. The bill, sponsored by Sen. Malcolm Graham, a Charlotte Democrat, also commissions three reports for the General Assembly on gang activity. Negotiators could finish work as soon as next week on a more expansive anti-gang bill that includes tougher criminal penalties for gang activity. — DAVID INGRAM

members. Two have operations in El Salvador, according to a City Council report.

Last year, federal and local authorities arrested 20 suspected members of the Hidden Valley Kings, a local gang that organized in the early 1990s. Their structure is hierarchical,

with top leaders known as "Original Kings." The next level is "Original Gangsters" and lower level members are "Baby Gangsters."

That was the largest gang-crime crackdown in Charlotte in 25 years. Tuesday's indictment

stemmed from a long-term investigation involving local, state and federal authorities.

Depending on the charges, the suspects face as little as two years to as much as life in prison if convicted.

CMPD officers, who work closely with an FBI task force to combat gang violence, say better state laws will help them shut down gangs. Under proposed legislation, gang members would face tougher penalties for committing crimes.

"This (the indictment) is our best bullet to deal with the problem," Willis said. "Without teeth to do enforcement, this is really all we have."

Staff writers Catherine Carlock, Nancy Wong, Cleve Wootson and researchers Sara Klemmer and Maria Wygang contributed.

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