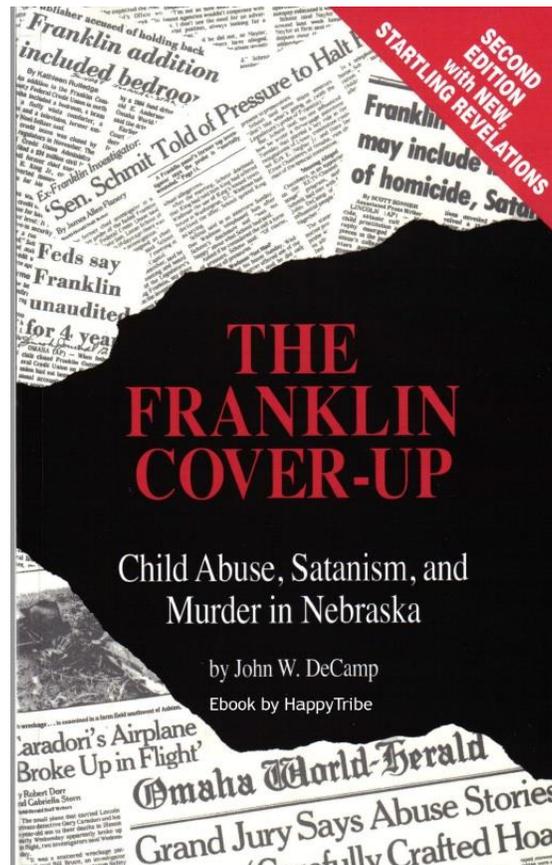




## Is the Franklin Cover-up Scandal of Child Sex-Trafficking in Boys Town, Nebraska Still Happening Today?

September 9, 2019, by Health Impact News Staff



In 1988, the raid and closure of the Franklin Federal Credit Union in Omaha, Nebraska revealed a child sex trafficking ring, mainly boys and, later, girls from Boys Town, Nebraska, that included prominent members of society and government officials as the perpetrators. [1]

The investigation into the credit union and its General Manager, Larry King, ended with the arrest and conviction of Larry King for a forty million dollar fraud. [1]

Despite multiple investigations into the credit union, Larry King and Boys Town, one of the greatest cover-ups was not only successful, but resulted in the accusations made and corroborated by several witnesses as nothing more than a “hoax,” leading to multiple conspiracy theories.

A documentary created in 1993 by a film crew from Yorkshire Television in the UK, went to Omaha, Nebraska to make a documentary about the alleged pedophile ring. [2]

Funding for the film was made by the Discovery Channel in the U.S.A. The documentary was set to air in Ireland and the UK as part of Yorkshire Television broadcast, "First Tuesday." A US broadcast would follow. [2]

The documentary crew claims to have found a vast operation throughout the country, providing children to the wealthy and political establishment for molestation, drug trafficking and blackmail.

A year later, in 1994, the documentary, "**Conspiracy of Silence**," was complete and ready to air in the UK, but the Discovery Channel withdrew support and reimbursed Yorkshire Television the half million it cost to make. [2]

The documentary remains unaired till this day.

Over the years, the documentary has been leaked onto the web. The information in this story is what I gathered from the investigation done by the crew of Yorkshire Television, a book, *The Franklin Cover-Up*, written by John DeCamp, an attorney with intimate knowledge of the scandal, and other research.

## **Boys Town**

The documentary begins in Boys Town, Nebraska, a small town founded in 1917 by Father Edward Flanagan. [2]

Monsignor Robert P. Hupp, former Executive Director of Boys Town, is seen in an interview for the documentary, saying:

"[Boys Town] started to be a home for orphans after World War I, and since then society has changed, and the problems of boys have changed, and so now it's a question of taking care of homeless, abandoned, neglected, abused boys and now girls also". [2]

With cash reserves of five hundred million dollars, Boys Town was considered the richest square mile in the world. [2]

Today, Boys Town may still be the richest square mile in the US, if not the world. According to their **2016 form 990 tax return**, "Father Flanagan's Boys' Home" has a total net asset of over a billion dollars. [3]

## **Franklin Federal Credit Union**

The Franklin Federal Credit Union was located in Omaha, Nebraska. It was founded in 1968 by community activists, with the goal of making credit available for businesses and individuals in the African-American community of north Omaha.

By qualifying as a "low income credit union," it could sell certificates of deposit to non-members, which created and allowed the process of swindling millions. Larry King became its manager in 1970. [1]

December of 1988, the NY Times published **a story** about the scandal that offers more in regards to King's role in the local society and government when the author, William Robbins, reported:

“In 1972 he headed a national political organization, Black Democrats for George McGovern. But he gained greater prominence after he had switched parties a while later, serving for a time as vice chairman of the National Black Republican Council, an official affiliate of the Republican Party, and becoming a familiar figure on the Republican social scene.” [4]

According to Noel Seltzer, a former executive for the credit union, stated in an interview for the documentary:

“Boys Town had quite a few accounts with the credit union. Those were considered very valuable accounts. They were handled exclusively by the bookkeeping department. But, once on the average of once a month, or once every two months, we always seemed to incorporate a person from Boys Town”. [2]

On April 11, 1988, the Franklin Federal Credit Union was raided by the FBI, and King was arrested. [2]

But allegations against King started much sooner, not allegations of fraud or theft, but allegations of child abuse, child sexual abuse, drugs and pornography. All of which were reported to authorities in Omaha and date as far back as 1985. [1]

## **Lawrence “Larry” King**

It appears Larry King’s name first appears when foster and adopted children from a family in Omaha finally came forward about the physical and sexual abuse they were experiencing at the hands of their foster and adopted parents. [1]

John DeCamp’s book, *The Franklin Cover-up*, provides details about the first time King’s name was brought up in association with child sexual abuse, among other things.

According to DeCamp, on June 10, 1985, the Washington County, Nebraska Sheriff’s Department contacted a Nebraska Department of Social Services (DSS) social worker who was handling a case involving Jarrett and Barbara Webb of Fort Calhoun. Jarrett was a board member of the Franklin Community Federal Credit Union, headed by Larry King, and his wife Barbara is King’s cousin. [1]

Carol Stitt, Director of the Foster Care Review Board (FCRB), told the documentary crew in her interview:

“Nebraska has a very clear statute that child abuse allegations should be reported to authorities. They shouldn’t be reported to the principal of a school, director of a facility, they should be reported directly to either Child Protective Services or other law enforcement.

An internal investigation at Boys Town would have no status. I mean, in other words, that evidence that was collected may be something that could augment, but certainly couldn’t take the place of a criminal investigation.” [2]

Almost as if already knowing any internal investigation into child abuse allegations made by the children at Boys Town, and accusing someone who clearly had ties to Boys Town, Carol Stitt was correct.

Nebraska DSS brought the allegations to the attention of Boys Town, namely Father Val Peter, who claimed to launch their own investigation into the matter. [2]

The investigation done by Boys Town and Father Val Peter concluded with, according to the Yorkshire documentary crew:

“Subsequent testimony proves that he [Father Val Peter] carried out his own investigation but that King’s victims refused to talk. [2]

In a later interview for the documentary, Monsignor Robert P. Hupp states:

“I regret having any association with Larry King. Had I known it at the time, it would have never happened.” [2]

This statement is important to remember as it links Larry King to Boys Town. When the documentary crew went to Boys Town to meet Father Val Peter personally, explaining they must give him and Boys Town the opportunity to talk to them about the “very serious” allegations, this is what was said:

Interviewer:

Why is Boys Town unwilling to discuss your relationship with Larry King?

Boys Town employee:

We don’t have a relationship with Larry King.

Interviewer:

I’m afraid papers that we possess show Boys Town had a relationship with Larry King.

Boys Town employee:

I would suggest you be very careful with what you report. [2]

## **The start of the Cover-up**

*The Franklin Cover-up* details the account of how the Nebraska Department of Social Services (DSS) provided information to law enforcement that included specifics regarding the allegations made by multiple children, to Nebraska DSS, in which Larry King’s name was consistently given. [1]

A multitude of new reports and allegations from several different witnesses were brought to law enforcement. These new allegations focused on Larry King:

“In July 1988, Omaha police officers in the Robbery and Sex Unit received an unexpected visit from their boss, Chief of Police Robert Wadman.

According to the officers’ own account, related by Nebraska Foster Care Review Board official Dennis Carlson in testimony to the Legislature’s Executive Board, they took precautions to keep Wadman out of their work on Larry King.” [1]

The Yorkshire Documentary Crew remarked that the Omaha police had finally accepted Larry King was involved in the abuse of children. And yet, their Senior Detective, when interviewed, stated:

“It is certainly possible that Mr. King was involved in illegal acts with children. If there was sufficient evidence of those types of allegations he would have been prosecuted by the county’s attorney’s office.” [2]

Carol Stitt, Director of FCRB had a very different opinion on the how the case was being handled by the local police in Omaha when she told the interviewer for the documentary:

“For me it was very clear that the case was not investigated, not pursued, because of the alleged perpetrators.” [2]

### **Launch of the “Franklin Committee”**

A legislative committee, led by then Senator Loren Schmit, to investigate the Franklin Federal Credit Union, its then General Manager, Larry King, and the multiple physical and sexual allegations made against King and other prominent members of society and the government, was finally created November 18, 1988. [1]

According to DeCamp:

“The two main initiators of this legislative investigation, the one that would persist when law enforcement balked, were Senator Ernie Chambers, Democrat of north Omaha, and Senator Loran Schmit, Republican of Bellwood.” [1]

Decamp elaborates on this in his book:

Senator Chambers represented the district where the Franklin Federal Credit Union was located. He was in receipt of numerous complaints against King. Talk about King’s high spending and teenage boys who got in and out of his limousines were a known fact.

In 1988, Chambers received some of the FCRB reports, which included abused children naming Larry King as the perpetrator. [1]

Before a special hearing of the Legislature’s Executive Board, the evidence against King was finally pulled together. And, for the first time, it was in front of officials who would pay attention.

On December 12, 1988, after the first session, Senator Chambers announced the investigation would go into not only the financial wrongdoing, but also the physical and sexual abuse of children, by “persons” connected with Franklin. Senator Schmit added, people holding official jobs may be affected. [1]

On December 19, 1988, Carol Stitt, Dennis Carlson and Burrell Williams of the Foster Care Review Board, summarized the abuse complaints that were focused on King, and presented their files on the Webb family, to the Legislature Executive Board [1]

Other accounts on file by the FCRB, also supplied to the Executive Board, can be found in DeCamp's book, "*The Franklin Cover-up*."

Nebraska legislature agreed with and passed the formation of a committee to investigate the Franklin Federal Credit Union and mainly its General Manager, Larry King, beginning the birth of "The Franklin Committee." [1]

With a formal investigation now launched against the Franklin Federal Credit Union, the allegations of child abuse, mainly against Larry King, were now starting to surface despite the cover up already being made by the Omaha Police Department and others.

## **Investigation by the Franklin Committee**

Carol Stitt, Director of the Foster Care Review Board, in reference to the amount of information turned over to Omaha authorities, before the "Franklin Committee" became involved, is seen in another interview for the Yorkshire Documentary saying:

"In the information presented to the foster care review board, either via the telephone reports, the personal reports, or the reports we reviewed, Larry King's name was consistently present as someone that the youth were making allegations against.

I turned that information over to authorities and nothing happened. I would say we handed over at least a foot high amount of material. Generally speaking, the allegations were ignored." [2]

Senator Loren Schmit, in an interview for the Yorkshire Documentary stated:

"The prominent citizens' names that originally came up were of concern to me because I knew many of those individuals, and I, very frankly, was shocked to have those names show up on the list." [2]

Shortly after the investigation started, Senator Schmit recalls, in another interview for the documentary:

"I received a phone call on the floor of the legislature. The caller didn't identify himself, but he said, 'Loran, you do not want to have an investigation of the Franklin Federal Credit Union.'

And I asked who I was speaking to and they said, 'that doesn't matter, but you shouldn't have that investigation.'

And I said, 'Well, why not,' and he said, 'It will reach to the highest levels of the Republican Party, and we're both good Republicans.'" [2]

Carol Stitt, director of the FCRB, received similar threats which were told in her documentary interview:

"The night before we testified before the legislative committee, I did receive a phone call at home that said, 'If you speak, you won't live to regret it.'" [2]

Senator Schmit was not deterred by the threats, and moved forward with the investigation. He hired two Private Investigators, Karen Ormiston and Gary Caradori. [2]

With the investigations and interviews conducted by Ormiston and Caradori, the heinous acts these children, often from Boys Town, had to endure were finally brought to light. Karen Ormiston in her interview for the Documentary:

“We were appalled. Appalled!

It was incredible what these kids went through. Larry King was, I would say, the center of transporting the children around the country. The airplanes were usually leased in his name. They were paid for by Larry King.” [2]

When Gary Caradori was hired by Senator Schmit, the Senator, already well aware of the cover up by the Nebraska Police, told Mr. Caradori:

“We do not want you to bring to the committee rumors, innuendos, nothing that cannot be backed up with facts. Bring to the committee that which we can take to the prosecutor.” [2]

### **After FBI Becomes Involved, the Media Participates in the Cover-up**

The allegations and videotaped witness testimony, investigated and conducted by both Caradori and Ormiston, were so serious that the head of the Franklin Committee, Senator Loren Schmit, sought the advice from his attorney, John DeCamp, who told him to turn everything over to the FBI. [2]

At the advice of his attorney, Senator Schmit handed all the evidence they had collected, over three years time, to the FBI. This resulted in an immediate leak to the media. [2]

Both Karen Ormiston and Carol Stitt told the documentary crew how the media immediately went after the witnesses, trying to discredit them. [2]

Carol Stitt elaborated:

“The last three victim witnesses were demolished by the press, particularly the Omaha World-Herald.

The paper never looked for information that would support any of the allegations. The whole purpose of the allegations was to destroy any credibility these youths may have.” [2]

Senator Schmit on how the FBI handled the information provided to them by the Franklin Committee:

“I was very disappointed with the way the FBI and law enforcement treated the victims. They in fact, turned them into the offenders, so to speak. And instead of taking the evidence that was delivered to them by the victims, and interrogating the persons who the victims identified, they seemed to bear down and try to get the victims to change their story.” [2]

According to John Decamp, he and Senator Schmit:

“...got the message in its purest form, when we met with Omaha FBI head Nick O’Hara in his office in early 1989. O’Hara, who kept Wadman’s picture on his desk, threatened, ‘You f— with Bob Wadman (Chief of Omaha Police Department), you f—with the FBI!’” [1]

The FBI, who was able to get one witness to recant their testimony, used this to try and get another witness, Alisha Owen, to admit in a phone call, that she too was lying about her testimony.

The phone call, recorded by the FBI on March 9, 1990, by Special Agent Michael Mott, concluded, with proof, Alisha Owen was not lying about her testimony. [2]

John DeCamp's take on the phone call and his culmination:

“You literally have to have bricks for brains to take on the FBI in this country, and that is exactly what you would have to do, to do this properly. THEY NOW, IN MY OPINION, IN MY INVESTIGATION, ARE THE ARCHITECTS OF THE COVER-UP.” [2]

When the Yorkshire Documentary crew asked for an interview with the FBI regarding their investigation of the Franklin Scandal, they were told over the phone:

“Murray Homequest for the FBI here – we feel it would be inappropriate for us to comment. We worked this with the Omaha police department. We just don't feel it would be appropriate for us to make comments.” [2]

On February 25, 2017, Joseph Lloyd, through MUCKROCK.com, filed a request under the Freedom of Information Act (FOIA), requesting a copy of the FBI's investigation into the Franklin child prostitution ring allegations that allegedly took place between 1988 and 1991. [5]

The FBI responded on March 7, 2017, stating:

“Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S. C. § 552(c) (2006) & Supp. IV (2010). This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.” [5]

## **Sudden Death of the Franklin Committee's Head Investigator**

Karen Ormiston and Gary Caradori started looking for more witnesses in Omaha. While they investigated, according to an interview with Ormiston:

“Gary was threatened several times. His vehicles were tampered with. I would think whoever tampered with them, it was a scare tactic, because it was so obvious that they were being tampered with.” [2]

The Yorkshire Documentary did an interview with Gary Caradori's brother, who claimed he and Gary had a conversation in which Gary disclosed he had one piece of evidence, and he was one step ahead of them this time. Gary allegedly told his brother he had:

“...this book, it was like addresses, telephone numbers, names; if they knew he had it, they'd kill him.” [2]

Gary Caradori and his son AJ were flying back to Omaha from Chicago July 11, 1990. They were in Chicago watching the All-Star baseball game, and Gary was looking into new leads. [6]

The **Lincoln Star reported** on July 12, 1990, that Gary was a pilot. He and his son AJ were the only 2 passengers in the plane when it crashed in cornfield around 2:30 a.m. [6]

Bill Bruce, an air safety investigator for the National Transportation and Safety Board (NTSB) said the plane appeared to have broken up in flight. [6]

The break up and ultimate crash of the plane is still unknown.

According to the **Lincoln Star's** article, Senator Schmit is quoted as saying:

“They got their wish...The question to be answered is whether it was a coincidence”. [6]

Within 24 hours of the tragedy, FBI agents impounded all records of the investigation. [2]

After the plane crash, Carol Stitt told the Yorkshire Documentary crew:

“That is when I was finished, because I figured out if they murdered Gary and his son, there was nothing that would stop them, there was no piece of paper, there was nothing we could come up with that was going to get anything done.” [2]

Before his death, Gary Caradori and Karen Ormiston were able to gather evidence, which consisted of multiple video interviews by several witness. All the victims corroborated each other, as stated by Carol Stitt, director of the FCRB 3 years prior.

Unfortunately, with the sudden death of Gary Caradori, the investigation and the hope for any future witnesses to come forward was ended. Karen Ormiston mentioned in an interview:

“The effect of Gary’s crash on the investigation, I think, in effect, put an end to anybody else coming forward with sensitive information.” [2]

## **The Perpetrators**

The perpetrators named by multiple witnesses to Nebraska DSS, Omaha Police, Carol Stitt, Senator Schmit, Gary Caradori, among others include: [1, 2]

- Larry King: General Manager, Franklin Federal Credit Union [1]
- Bob Wadman: Chief of Omaha Police Department [1]
- Harold Anderson: Publisher of the Omaha World-Herald [7]
- Alan Baer: Wealthy Department store heir. [2]
- Deward Finch: Teacher, Coach, Administrator and Superintendent in several school districts across Nebraska [8]
- Peter Citron: Celebrity columnist for the Omaha World Herald [2]

King recruited “investors” and “participators” in his sadistic scheme from none other than, already well know homosexual prostitution ring leader, Craig Spence, who was featuring boys in Washington D.C. [1]

The Washington Times, June 29, 1989, for their front page headline, revealed Craig Spence and his homosexual acts which included midnight tours of the White House. [11]

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## Homosexual prostitution inquiry ensnares VIPs with Reagan, Bush

### 'Call boys' took midnight tour of White House

By Paul M. Rodriguez and George Archibald  
The end—more news.

A homosexual prostitution ring is under investigation by federal and District authorities and includes among its clients key officials of the Reagan and Bush administrations, military officers, congressional aides and U.S. and foreign businessmen with close social ties to Washington's political elite, documents obtained by The Washington Times reveal.

One of the ring's high profile clients was so well connected, in fact, that he could arrange a middle-of-the-night tour of the White House for his friends on Sunday, July 3, of last year. Among the six persons on the extraordinary 1 a.m. tour were two male prostitutes.

Federal authorities, including the Secret Service, are investigating criminal aspects of the ring and have told male prostitutes and their homosexual clients that a grand jury will deliberate over the evidence throughout the summer, The Times learned.

Reporters for this newspaper examined hundreds of credit card vouchers, drawn on both corporate and personal cards and made payable to the escort service operated by the homosexual ring. Many of the vouchers were run through a so-called "sub-merchant" account of the Chambers Federal House by a son of the owner without the company's knowledge.

Among the client names contained in the vouchers—and identified by prostitutes and escort operators—are government officials, locally based U.S. military officers, businessmen, lawyers, bankers, congressional aides and other professionals.

Editors of The Times said the newspaper would print only the names of those found to be in sensitive government posts or positions of influence. "There is no intention of publishing names or facts about the operation merely for titillation," said Wesley Pruden, managing editor of The Times.

The office of U.S. Attorney Jay B. Stephens, former deputy White House counsel to President Reagan, is coordinating federal aspects of the inquiry but refused to discuss the investigation or grand jury action.

Several former White House colleagues of Mr. Stephens are listed among clients of the homosexual prostitution ring, according to the credit card records, and those persons have confirmed that the charges were theirs.

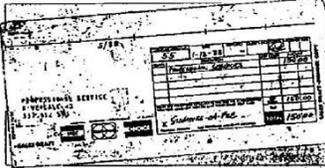
Mr. Stephens' office, after first saying it would cooperate with The Times' inquiry, withdrew the offer late yesterday and also declined to say whether Mr. Stephens would renege himself from the case because of possible conflict of interest.

At least one highly placed Bush administration official and a wealthy businessman who procured homosexual prostitutes from the escort services operated by the ring are cooperating with the investigation, several sources said.

Among clients who charged homosexual prostitute services on major credit cards over the past 18 months are Charles F. Dutcher, former associate director of presidential personnel in the Reagan administration, and Paul R. Balch, Labor Secretary Elizabeth Dole's political personnel liaison to the White House.

In the 1970s, Mr. Dutcher was a congressional aide to former Rep. Robert Bauman, Maryland Republican, who resigned from the House after he admitted having engaged in sexual liaisons with teen-age male.

see PROBE, page A7



### Image Source

The exposure of Craig Spence only bolster's Paul Bonacci's recollection of his time with Spence. The documentary crew captured Bonacci telling Decamp about his visit to the White House:

"It was usually around midnight. To me it was just kind of weird being in the White House at that time of the night, and getting to go into places that the guy was telling us that nobody gets to go to. And we've seen, I've seen rooms in there that I'd never even heard about.

Craig Spence and Larry King had a couple of groups, one was called 'Bodies by God,' and they had the callboys, and there was another group that was started by Larry King which was called the 'Golden Boys,' which was kids that were usually under the age of approximately ten." [2]

Investigative Reporter, Paul Rodriguez, with the Washington Times, and the one who exposed the callboy network, told John DeCamp in an interview:

"They only prosecuted the operator, **Henry Vincent**, and three of his lieutenants as it were. They never went after any of the Johns or the clients. This operation which was again, quite large, claimed to have clients that ran from the White House to the Capitol Hill, to the State House, to the churches, within the media..." [1]

Rodriquez went even further telling DeCamp there were approximately "twenty thousand pieces of documents, or twenty thousand documents that they had," which were all sealed by court order. Telling DeCamp:

"It will be a cold day in Hell before those records ever get unsealed. And, it makes me wonder, what's in those records?" [1]

Peter Citron, a columnist for the Omaha World Herald, the media outlet that would account for the witnesses being discredited, was finally arrested and charged with founding an 11 and 12 year-old boy. [9]

As reported by **Jon Sweet**, for United Press International (UPI), in July 1990, the incidents happened in 1988 and 1989. Upon his arrest, police found homemade videotapes which involved homosexual themes with young boys. [9]

Mr. Sweet also **reported** Citron acknowledged he had previously been charged with “debauching” a minor in Scarsdale, NY in 1965, but the charges were dropped and he moved to Omaha. [9]

He was fired by the World-Herald newspaper shortly after his arrest in 1990.

District Court Judge Merritt Warren could have sentenced Citron the maximum of five years on each count, but Citron only received 20 months to 5 years on one count, and 16 to 36 months on the other count. [9]

None of the alleged perpetrators, named by multiple witnesses to the Omaha Police, Nebraska DSS, FCRB, Franklin Committee and FBI, have ever been accused of sexual abuse or an affiliation with Larry King and the Franklin Federal Credit Union.

## **Douglas County Grand Jury**

On July 23, 1990, just days after Peter Citron was finally convicted of two felony counts of assaulting a minor and declared a “mentally disordered sex offender,” [9] and twelve days after Gary Caradori’s sudden death, the Douglas County Grand Jury issued its report. [1]

The 42-page “Grand Jury Report” cleared King of child abuse. [1]

Alan Baer was indicted for pandering. The grand jury’s reason for this was because the evidence showed the witnesses received substantial amounts of money or other valuable goods in exchange for sex. [1]

Peter Citron was found, by the Grand Jury, to have “inappropriate sexual contact with male minors,” but because he was already indicted and convicted in a separate court, they found no link between Citron, King and the Franklin Federal Credit Union [1]

According to John DeCamp, the grand jury report contained:

“...gratuitous pronouncements, such as that, children do have the right to expect that *if they exhibit reasonable behavior*, they will not be abused. (Emphasis added)” [1]

Not only did the grand jury clear all the prominent alleged abusers, they went so far as to say some were not the perpetrators, but victims themselves. [1]

The Douglas County grand jury concluded the witness testimonies (made under oath and corroborated by other witnesses) were nothing more than a “Carefully Crafted Hoax”. [1]

## Grand Jury Says Abuse Stories Were a 'Carefully Crafted Hoax'

### Three Indicted; Many Rumors Are Debunked

By Robert Dorr  
and Gabriella Stern

World-Herald Staff Writers

A Douglas County grand jury Tuesday called the Franklin Community Federal Credit Union child sexual-abuse allegations a "carefully crafted hoax."

The grand jury's report said the hoax was "scripted by a person or persons with considerable knowledge of the people and institutions of Omaha . . ."

While not specifically saying who authored the hoax, the report was critical of some state officials and others who made or supported the child sexual abuse accusations.

The grand jury said blame must fall on three young people who accused prominent Omahans of sexual misconduct. Two have recanted their original stories, and the third was indicted Tuesday on charges of lying to the grand jury.

The grand jury said "rumormongers" spread much gossip and misinformation.

It said "many in the community both spread and received the gossip," and



Baer . . . Brandeis stores heir.



Miss Owen . . . York inmate.

### Schmit Rejects Report, Defends His Committee

By Henry J. Cordes

WORLD-HERALD BUREAU

Lincoln — State Sen. Loran Schmit of Bellwood said Tuesday that he did not accept a Douglas County grand jury's conclusion that alleged child sexual-abuse victims who had made videotaped statements to a legislative committee were a key part of a "carefully crafted hoax" scripted by someone with considerable knowledge of Omaha.

Two of the four people who gave the taped statements — Alisha Owen and Paul Bonacci — were determined by the grand jury to have been lying and were indicted for perjury.

Two others interviewed by the legislative committee — Troy Boner and James Daniel King — were reported to have recanted their statements of child sexual abuse. They were not indicted.

Schmit, chairman of the Legislature's Franklin Committee, said Tuesday after the grand jury issued its report that he considered it unfortunate that the grand jury indicted Miss Owen and Bonacci.

"Their conclusions . . . frankly do not coincide with the conclusions I have



Schmit . . . called indictments "tragic."

He called the indictments "tragic." Once Miss Owen and Bonacci have a chance to tell their stories in court Schmit said, different conclusions may result.

Schmit also said he resented the grand jury's criticism of the committee he heads.

If it had not been for the committee's investigation, he said, charges never

working with Casey . . .

It said the Legislature's Franklin Committee had "hidden agendas" in pursuing the sexual abuse allegations.

Committee chairman Loran Schmit has been "politically irresponsible" in some of his statements, the grand jury said.

Former State Sen. John Decamp's memorandum naming five people who, he said, were central figures in the investigation amounted to a "smear campaign" and further spread the ru-

part-time Omahan and fired Boys Town employee Michael Casey and Kirsten Hallberg and Bonnie Cozzitello, who were active in the Concerned Parents group.

The grand jury criticized Gary Caradoti, the Franklin legislative committee investigator killed in a plane crash

Full text of grand jury report begins on Page 14.

Image source

### Carefully Crafted Hoax?

Senator Chambers submitted a "Motion to Expunge" to the Douglas County District Court. With this motion, he included an 83-page brief, which documented the jury's blatant irregularities. [1]

John Decamp brought up the one question the grand jury left unanswered, which the Franklin Committee mentions in their official response to the jury's report:

"We assume from their choice of words—carefully crafted hoax, that the Grand Jury was persuaded that the testimony of the witnesses corroborated each other, and included facts and circumstances which were readily verifiable and attested to by other witnesses. Otherwise, it could not be logically deemed 'carefully crafted.' If it was carefully crafted, who crafted it and when?" [1]

The *Omaha World-Herald* took to the defense of the jury's report when their lead editorial from July 29, 1990, read: "Grand Jury Did Its Job; The Insults Are Intolerable." The same paper whose columnist, Peter Citron, was convicted of child molestation, and its former publisher, Harold Anderson was "whitewashed" in the grand jury's report. [1]

### What happened to the Victims?

The two witnesses that recanted their testimony, based on threats made by the FBI, went on with their lives, somewhat. [2]

One main witness, Troy Bonner, in an official [affidavit](#) made October 1993, after being sworn in under oath, said the lies he told to the grand jury and at the Alisha Owen trial, were lies caused mainly by the FBI. [10]

He admits to lying when he recanted his original testimony to Gary Caradori, which is on video. Boner:

“...believed that it was a situation where I must either ‘...lie or die’”. [10]

Paul Bonacci and Alisha Owen, who refused to recant their testimony even when faced with perjury charges, did, in fact, get indicted by the Douglas County grand jury for perjury, [1]

On August 8, 1991, Alisha Owen was sentenced to three consecutive, three-to-nine-year prison terms, which if the maximum was served, she would be in prison longer than Larry King. [1]

John DeCamp on the sentence Alisha Owen received:

“I can’t find a case in the history of this country where some kid got sentenced to 25 or 30 years in prison for something like this. If you were going to pick a—what I call a tell-tale sign, something that says something’s fishy about the whole thing—it was in the sentencing itself. For some reason they had to send a signal to every kid who was a potential witness (my opinion again) a signal so loud and clear: ‘If you dare to come forward, if you dare to talk, watch what happens.’” [1]

Within minutes of Owen’s conviction, the prosecution dropped the Douglas County perjury charges against Paul Bonacci. [1]

## Aftermath

Several books have been written detailing the events surrounding the Franklin Federal Credit Union, Larry King and Boys Town. The now dubbed “Franklin Scandal” is surrounded by conspiracy and the stench of a cover-up.

## What’s Learned?

John DeCamp summed it up best when he told Senator Schmit:

“Accusations of child abuse are the worst accusations you can make against an individual. That is because, no matter what the truth of the matter, once the accusation is made, it will never be able to be rubbed completely off, even if the individual accused is as innocent and pure as can be.

Therefore, before you sign your name to anything that suggests that there is serious child abuse or before you suggest that an agency of government has failed in its duty to find or investigate child abuse, make sure you have the smoking gun that establishes that is what actually occurred. Not just for your legal protection, but because **that is the right thing to do. To falsely accuse of child abuse is a terrible thing. To cover up child abuse, is worse than falsely accusing.**” [1]

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