

Big SBA Loans--

Richmond, Va.

The ousted head of the Small Business Administration's Richmond office approved at least \$2.8 million in funds during the past year to firms with which his present brother-in-law was associated, it was learned yesterday.

According to SBA officials and records examined by the Associated Press, the loans were approved during a period from December, 1972, to September of this year.

The largest of the amounts approved by Thomas F. Regan, who was removed Monday as chief of the Rich-

mond SBA office, was for \$2.3 million in lease guarantees for construction of a steel plant in Portsmouth, Va., according to Russel Hamilton, former chief of the Philadelphia regional SBA office.

Hamilton, whose office supervised the Richmond operation, said the loan to Dunn International Corp., was approved by Regan on September 1 but never was approved by the Philadelphia or Washington offices.

Eleven days earlier — on September 1 — Regan, 44, had been married in Charlottesville to Terri Marie Kirkham Palumbo, 38, sister of Dunn executive vice pres-

ident Joseph C. Palumbo.

Records of loans approved for guarantee by the Richmond SBA office showed that a loan of \$350,000 was approved in July this year for Trans Ocean Steel Corp., of which Palumbo is listed as a director.

The records also show approval in December 1972 of a \$200,000 loan to Remote Console Information Corp. of McLean, Va., of which Palumbo is a director.

An official of Dunn International Corp. said the \$2.3 million lease guarantee money had not been used, and that the firm was notified yesterday by the SBA that the arrangement had been

All in the Family

canceled.

But Francis Joyner, president of Citizens Trust Bank of Portsmouth, confirmed

that his bank had made the \$350,000 loan to Trans Ocean Steel Corp. for a plant in Portsmouth. Records of the

Richmond SBA list the loan to Remote Console Information Corp. as "disbursed."

Associated Press