

Thieves say employee pilfering common in stores

by Barbara Holtzman
Staff Writer

Last of three articles

Editor's note: All names in this story have been changed to protect the guilty.

Henry is an out-of-state student with a 3.6 average. When his formerly wealthy family fell into financial distress, he decided to get a summer job at a small clothing store in University Mall. By the end of the summer, Henry estimated he had taken between \$500 and \$600 worth of merchandise.

Employee pilfering seems to be greatly overlooked by store managers and owners, but employees who steal say that in-store theft occurs frequently and regularly.

"We didn't have a problem with shoplifters," Henry recalled. "The only pilfering problem was with the employees." All the employees at his store pilfered, he said, but there was no syndicate within the store. The situation in the mall, however, was another matter.

"We had one employee who was a hawk," Henry said. "She would chase shoplifters, but she was worse than any of them. She had a syndicate going in the mall where she had contacts in at least 10 stores, most of them clothing. Someone would bring her a rabbit coat in exchange for an equivalent amount in pants." He thinks that syndicate has stopped now, but said that at one time, "we were like the Mafia." There was a whole other level of merchandising going on in the mall.

Henry said one employee supplied her family, another supplied her friends and all supplied themselves. His closet is stuffed with stylish jeans, cords, shirts and sweaters that he simply put in a bag and

carried out.

Henry's method of pilfering was relatively simple, but Oscar's was more elaborate. He would take stereo equipment from the area hi-fi shop in which he worked, put it into a trash can out back, then return after work to pick it up. Oscar calculated that he took \$800 worth of equipment over a five-month period, including a tuner, electrostatic headphones, a stereo amplifier, an auto cassette player, record cleaning devices and cables.

Oscar assumed other employees were doing the same, but he wasn't sure until after he quit. "One employee would say he was borrowing a \$600 L.E.D. tuner," Oscar said. "He would walk out in clear sight of the manager with the tuner, and the tuner just never found its way back to the store."

While Henry clothed himself and Oscar surrounded himself with aural stimulation, Alice and Barney completely stocked their kitchen shelves with items they took from a high-class Boston seafood restaurant. Over two summers of work, they accrued 25-30 bottles of wine (retail \$7), beer and champagne. They collected place settings for six of dinner plates, butter and dessert plates, soup dishes, cups and saucers. The salad and dinner forks, teaspoons, soup spoons, iced-tea spoons, cocktail forks and knives still bear the name of the restaurant. They serve drinks in champagne, wine, whiskey sour and beer glasses they took, and occasionally set the table with the cloth napkins and tablecloth from the restaurant. Alice and Barney also gave free meals to friends who visited them, ate lobster until it was like hamburger and at times pocketed customer's money. Their methods were elaborate — almost like a "Big Con," but they refused to reveal them because they plan to return to Boston again this summer.

There was one case of employee pilfering where a couple made almost \$12,000 during a summer. Alice and Barney said the girl wrote to a cash register company and learned to adjust the register for the end of the day. She and her boyfriend also had a system of bill exchange. The couple almost put the owner into bankruptcy, but he didn't realize what was happening. When he found out, he couldn't believe it.

The amount of merchandise taken by these particular employees is substantial, yet all agreed that the manager or owner was blind to employee pilfering. Barney bluntly said, "Managers are blind, period. They're drawing theirs."

Oscar and Henry substantiated this to some degree, although they couldn't be sure their managers were pilfering. But Henry said his manager would take an item, announce she would pay for it later, then failed to do so. He also said he knew the district manager would come to the mall store to pilfer items sold out in the main store.

An executive of a North Carolina grocery chain said there are instances of managers pilfering, and one department store division manager said there was an assistant manager who would load up at night, apparently to resell merchandise, but area store managers expressed shock that their employees would pilfer, much less themselves. One store manager in the mall was surprised to hear that his store was named in the summer "syndicate." "That went on in this mall?" he asked.

One manager explained blindness towards employee pilfering as a matter of trust. "I would rather suspect an outsider if something were missing than an employee," he said. "You tend to trust an employee because you work with him day after day. I guess I'm naive enough not to understand why someone would take something from me."

Most managers would say their employees were a special group of people who would never pilfer. "Nobody in here would ever do that," one manager said when told about Henry's \$500 haul. "I have 1000 per cent confidence in my employees," another manager exclaimed.

Only a few managers fully acknowledged a problem with employee pilfering. One restaurant manager said, "I imagine everyone here has plates from us," and recalled one incident where an employee took out three cases of steaks with the trash. He said he trusts his present employees, but there will always be a little pilfering.

And perhaps because of special feelings towards employees, a majority of employers said they would probably just fire employee pilferers whereas they would prosecute customer shoplifters. One manager said firing an employee is punishment enough and another said what most employees take isn't worth the price of prosecution. But another employer said she would prosecute just because "an employee thief is as guilty as a customer thief."

Employees seemed oblivious to any punishment, mainly because they were confident they would never get caught. "I never worried about it," Henry said. "I had certain rules, like never take anything when the manager was around, bring it to the car as soon as you can and lock it in the trunk and don't advertise to people whom it mattered to."

Oscar said he took more than he intended to, and at times was nervous when in the actual process of transporting merchandise, but he never worried because "everyone else did it, too." Oscar also had another safeguard since he took inventory and deliberately deleted items he thought he'd want, then he'd just take them home.

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Wilmington earthquake predicted

by David Broadwell
Staff Writer

RALEIGH — The next major earthquake in the eastern United States may occur in the Wilmington, N.C. area, threatening a Carolina Power and Light nuclear power plant near Southport, three area geologists predicted Wednesday.

At a news conference, Dr. David M. Stewart, assistant professor of geology at UNC, announced that he has joined Dr. David E. Dunn and Dr. S. Duncan Heron in petitioning the Atomic Energy Commission (AEC) for an intensive study of the plant site. Dunn is associate professor of geology at UNC; Heron is chairman of the Duke University geology department.

Evidence of the possible quake includes changes in land elevation, unusual heat and pressure in the area's groundwater and the geologic history of the region.

"If the elevation change is precursory to an earthquake," Stewart explained, "it is already large enough to indicate that the magnitude of the quake would be at least 6.5 on the Richter scale." Such a tremor would devastate Wilmington and would be felt within a radius of 500 miles, Stewart said.

The coast in the Wilmington area has been rising for the last several decades indicating that stresses are building within the earth's crust. The longer this process continues, the greater the potential magnitude of an earthquake will be.

Wilmington is located in the same geologic province as Charleston, S.C., the site of a major earthquake in 1886. The Charleston quake was one of the most intense tremors ever recorded in the United States.

The three scientists stressed that the evidence is still inconclusive. "It is possible that all of our data is completely benign," Stewart said.

He added, however, "If an earthquake is going to happen, it will definitely occur within the life of the power plant."

The geologists are calling for an AEC-initiated study to determine the safety of the plant site. Seismological data on North Carolina is practically nonexistent.

"The cost of studies would run to several hundred thousand dollars," Stewart said. "Considering the potential cost of not preparing for an earthquake catastrophe and the actual cost of a nuclear power plant itself, the price of these investigations would be small indeed."

CP&L conducted its own survey of the area before beginning construction. CP&L's control over the study is "like the fox guarding the henhouse," Heron said. The power plant is set for operation this spring.

Much of the CP&L data is more than ten years old. "Ninety per cent of what we know about predicting earthquakes, we have learned in the last 18 months," Dunn noted.

Stewart has been blacklisted by CP&L for his outspoken views, he told the DTH in December. Both the power company and the AEC had been notified of the potential danger to the Southport site, he said Wednesday, yet neither group has responded to date.

Don Anderson, a CP&L official, issued a statement last month explaining that Stewart had not been consulted because the company maintains its own staff of geologists. All planning and construction complied with AEC standards, Anderson said.

"The study we're proposing here, I want nothing whatsoever to do with," Stewart said, discounting CP&L accusations that he had created the earthquake threat for personal gain.



Staff photo by Gary Freese

David Stewart, assistant professor of geology, discusses earthquakes Wednesday.

Vickery: assembly should not recess

by Bill Sutherland
Staff Writer

State Senator Charles Vickery Tuesday stressed the General Assembly's responsibility to stay in session although a budget does not yet exist for it to work with. "Speaker (James C.) Green (D-Blanden) and others have suggested we take a recess until April 15, because we're really not doing anything," he said, at a campus Young Democrats Club meeting.

"There are many responsibilities that we are presently fulfilling in various committees and subcommittees," he said.

He specifically cited several areas that the Legislature should continue studying. Regarding economic ills, Vickery pointed to the lack of unemployment compensation for certain students.

"Say a student is working full-time and going to school, and that fellow loses his job. Under present regulations, he is not eligible for compensation," he said.

"Senator (Russell) Walker (D-Randolph) and I drafted a bill several days ago that will change this regulation of the state Employment Security Commission, so that certain students will be eligible for compensation," Vickery said.

"We hope to very soon pass legislation to rewrite the rate-making section of the state Utilities Commission," he said.

Adding that in this area a major problem was the lack of expert counsel, he said, "They (the experts) seem to be tied up with the Utilities Commission or the utilities companies, or with somebody."

Vickery added that he badly needs people to help him survey how other states set their utility rates. "This information would help us greatly in formulating a possible amendment to the existing rates."

According to Vickery, other problems that can be considered without a budget

include prison reform, and the problem of insurance rates, which he said are "presently prejudicial against certain age groups. That of course means your bracket," he said.

Vickery said that a bill to affect present automobile insurance rates would have a very good chance for passage in the Senate.

Responding to a question about a bill to abolish capital punishment Vickery said, "It has been referred to a judiciary committee headed by Julian Allsbrook, (D-Halifax) and if it ever gets out of there, I don't expect they'll make a very favorable report."

Panel: no more cheap oil

by Bruce Henderson
Staff Writer

The United States will no longer have a cheap source of petroleum products — and the country had better get used to the idea — a panel of economists and political scientists agreed Tuesday night.

About 100 persons heard a Union discussion on economics by Richard T. Froyen, James A. Wilde and Edward S. Howle, professors in the UNC economics department, and William Keech and Edward Azar, both professors in the political science department.

The panel addressed five questions concerning the oil trade with the Organization of Petroleum Exporting Countries (OPEC), proposed oil tariffs, and solutions to inflation and recession.

"We need to emphasize the fact that we're not going to get a cheap source of oil. This must be realized by the American public," Wilde said.

United Press International

A government index confirmed Wednesday the nation is in the worst recession since the Great Depression.

But other factors, including another surge on the stock market, signaled a possible recovery by mid-year.

In the third consecutive day of heavy trading, prices soared on the New York

Stock Exchange. The Dow Jones industrial average, a widely watched barometer of price trends, rose 11.19 to 705.96, the first time it has been over 700 since last August.

More than 27.1 million shares were bought and sold, bringing the total volume for the first three days of the week to 91.2.

With two trading days to go, volume for the week is expected to easily surpass the record

Ex-employee says sale prices raised

by Joel Brinkley
Staff Writer

The Wearhouse, a discount clothing store at Eastgate Shopping Center, is apparently violating state and federal acts forbidding deceptive advertising. John Elam, a former Wearhouse employee, says that prices advertised as "drastically reduced" for a going-out-of-business sale were actually raised for the sale.

Store owner Robert Rosenbaker admitted Wednesday afternoon this might have been true for some items, but denied he has violated any laws. Wednesday evening he said "This whole thing boils down to about five sleeveless sweaters that might have been incorrectly shelved."

State Justice Department attorney Donald Davis said Wednesday that if Elam's allegations are true, Rosenbaker can be found in violation of Chapter 75.1 of the state Unfair and Deceptive Trade Practices Act. Possible penalties include enjoining the store's sale and forcing Rosenbaker to refund money to customers who bought merchandise because of any deceptive advertising.

A Federal Trade Commission (FTC) spokesman said Rosenbaker may be violating a similar federal law which carries similar penalties. Both said that although this type of violation is common, it is difficult to prove.

The Wearhouse, a discount division of the Hub, Ltd., began its going-out-of-business

sale Oct. 28. Rosenbaker said that problems with lease renewal forced him to go out of business and he expects to finally close the store Saturday.

Elam, a UNC senior, says that the day before the sale store employees removed price signs over racks of merchandise and put up new ones with higher prices — over the same merchandise, despite a large front window sign which proclaims in two-foot letters "Drastic Reduction On All Stock," and "Our Loss Is Your Gain."

Elam cited the following examples: He says short sleeve dress shirts "sale-priced" at \$5.99 actually cost \$4.99 before the sale. Long-sleeve shirts carrying the same sale price cost \$2.99 before the sale. A table of \$10.99 slacks contained pants which cost \$2.99 the day before the sale, Elam says.

Rosenbaker said he worked at the Wearhouse the day the sale prices were posted and he is sure that, except for the possible exception of some sweaters, he is sure all store prices were reduced.

Elam, whom Rosenbaker termed a fine, honest and trustworthy employee, said the new prices were for the exact same merchandise the store was selling the day before the sale.

Elam quit his job in December, in part because of the store's pricing policy, and also because salesmen's salaries were lowered. He said he joked with an assistant manager about the store's sale prices just before he quit. This manager admitted prices on many items had been raised for the sale, Elam said.

Froyen, stating it would be "foolhardy to base any measures on a conflict policy" with OPEC, said the best policy for dealing with the oil exporters is to maintain stability in oil prices.

Azar said "What we have to deal with is of crisis importance that is international in scope. We are dealing with a world of scarcity. The depletion of resources and a growing population are great problems."

A majority of panelists approved of an oil tax and rebate plan similar to President Ford's proposals.

"I think a tax on oil with a rebate is the way to go," Froyen said. "There have probably been enough proposals put forward to put together a good (economic) package."

Keech, however, sharply criticized the government, calling President Ford's oil import tariffs "politically chicken."

"Rationing may cut down on consumption — although I don't advocate it myself — and I wonder if it isn't more

reasonable than proposals that have been made," he said.

With unemployment at 7.1 per cent and inflation for 1974 at 12.2 per cent, the panel was asked which economic ill is more dangerous.

"Any attempt at correcting inflation or recession is almost certain to worsen the other," Wilde said. "If something (good) does happen it will be happenstance."

"It seems to me," he said, "that we need a quick tax cut — a moderate cut. If that still doesn't work, it's time for wage and price controls."

The panelists also discussed the effect OPEC dollar reserves will have on the U.S. in future years. The oil-consuming nations will pay an estimated \$400-600 billion for petroleum in the next five years.

"The standard of living in the oil-consuming nations is going to be reduced somewhat," Howle said. "When the effect will come is when OPEC starts spending some of those dollars — then U.S. goods must be made available."

weekly total of 110.6 million Feb. 8-12, 1971, when the economy was booming.

In Detroit, however, General Motors said it is closing seven plants for one week, idling 15,505 workers in addition to 93,000 on indefinite layoffs. The plant closings included four not listed in earlier production cutbacks.

In addition to the market rally, claims for unemployment benefits declined and key interest rates were expected to go lower this week.

After the new report on economic indicators was released, White House Press Secretary Ron Nessen said the Ford Administration was sticking to its forecast for general economic improvement about the middle of the year.

"By mid-summer we should see a turn," Nessen quoted Alan Greenspan, chairman of the Council of Economic Advisors, as saying.

The Commerce Department's index of nine economic indicators showed the nation experienced the sharpest economic decline ever in the last five months of 1974.

The composite index plunged 2.4 per cent in December.

The indicators that declined were initial claims for unemployment insurance, new orders for durable goods, stock prices, industrial materials prices and consumer installment debt.

The three indicators that improved in December were building permits, price-labor cost ratio and orders for plant equipment.

RHA head to answer allegations

Betsy Jones, president of the Residence Hall Association (RHA), will formally answer the charges of misconduct made by Mark Dearmon at an RHA meeting tonight. Dearmon, the acting chairman of the Carolina Coalition whose allegations were reported in Wednesday's DTH, will attend the meeting.

The meeting, open to all students, will be held in Deep Jonah, the meeting room in the basement of the Union, at 7:15 p.m.

"We are having this meeting to discuss the situation and make clear exactly what RHA is doing," Jones said Wednesday.

Dearmon charged Jones with neglecting her duties and called for an investigation into "several widespread rumors that have been circulating concerning Betsy Jones" at an executive meeting of the Carolina Coalition Tuesday.

"Regardless of what happens, we've accomplished our purpose in bringing this out into the open where the students can see what's going on," Dearmon said.

"At the very least, this will reveal exactly what RHA has and has not done."

Dearmon also criticized Jones' working relationship with Dr. James Condie, director of University housing.

Condie refuted Dearmon's charges but refused to comment further on the situation Wednesday.

"I think any further comment on this, by me, at this time, would be premature," Condie said.