

NEWS

Fate of Adam & Eve to be decided by Grand Jury

By SCOTT GREIG
City editor

Federal grand jurors will convene in Raleigh June 17 to consider evidence seized from an Orange County mail-order firm that sells sexually oriented material.

Robert M. Hazelwood III, postal inspector in charge of the Charlotte division, said the grand jury would decide whether or not to issue indictments based on the testimony of federal, state and local law enforcement officials involved in the raid of PHE Inc., which also operates under the name of Adam & Eve.

According to a search warrant obtained by State Bureau of Investigation agent David Hedgecock, the raid ended a six-month investigation of the company that was begun when Pasquotank County sheriff's deputy Ken Kuykendall was mailed a PHE catalog that offered sexually oriented movies and paraphernalia.

The warrant was served last Thursday when 30 officers surrounded the PHE building, which is located on N.C. 54 about six miles west of Carrboro.

Officials from the U.S. Postal Inspection Service, the SBI, and Alamance and Orange sheriffs'

departments took part in the raid that saw 125 PHE employees questioned, photographed and ordered to testify before the grand jury.

Charles Dunn, deputy director of the SBI, said the investigation was carried out by a newly formed federal and state pornographic task force.

"Based on the six-month investigation, this company is a major mail-order distributor of sexually explicit material, which we believe is obscene," Dunn said. "The search was for documents and other evidence to determine who should be indicted for producing these video cassettes and magazines."

U.S. Attorney Sam Currin said evidence seized could be used by local district attorneys to seek indictments under the state's new obscenity law.

"We're investigating alleged violations of both the federal and state obscenity laws," Currin said. "I don't want to make any comment on what we feel Adam & Eve is or is not involved in."

Currin said over the past five years his office has literally received hundreds of complaints from all over the country about the solicitations they have received from Adam & Eve.

"We've probably gotten more complaints about Adam & Eve than any other matter we've dealt with," Currin said.

Hedgecock said the all-day search of the company's headquarters indicated that the suspected obscenity was produced outside of North Carolina. He said agents think the orders were received at outlying sites and later brought to the Orange County plant to be filled and mailed.

The state warrant gave officers permission to confiscate:

- Six video cassettes or magazines with names like "The Sex Goddess" and "The Ultimate O."

- Records beginning on Oct. 1 about the origination and dissemination of the items, catalogs and brochures listing the items for sale or distribution, and records of people receiving them for redistribution in North Carolina.

- Records of sales to Kuykendall or David Hunt, a pseudonym used by Hedgecock to order material from the company.

- The names and job descriptions of anyone "directly involved in the transfer" of material to Kuykendall or Hunt, and of "officials of the corporation down to and including the persons responsible for the day-to-day operation of Adam & Eve-Videomail, including department managers and especially marketing and advertising departments."

- Internal memos or corporate minutes that address how the new obscenity law would affect PHE and

its subsidiaries in its sale of the suspected items. It exempted documents "on a lawyer's stationary, etc."

- Records of bank deposits and money transfers involving David Hunt or Kuykendall, showing how the money was accounted for and transferred from Adam & Eve and Videomail to PHE.

Hedgecock told Superior Court Judge Anthony M. Brannon of Durham that Kuykendall received the unsolicited catalog from Videomail. Kuykendall then forwarded the solicitation to the Pasquotank County district attorney, who forwarded it to Alamance County officials.

As part of the investigation, which was begun in October, Hedgecock ordered four video cassettes from the company. He paid for them by drawing \$280.96 from the SBI's Special Funds account.

With the movies, Hedgecock said he received free pornographic paperbacks, magazines and paraphernalia.

Working with agents of the Alamance City-County vice squad, Hedgecock traced telephone numbers and post office boxes to PHE President Phillip Harvey and executives Frank Broome and Skip Loy.

Randall Roden, a Raleigh lawyer, released a statement that said PHE officials have always cooperated fully with law enforcement agencies in the past.

"This business has always operated openly and above board and has made a special effort to be a good

citizen of the community," the statement said. "We have always tried to cooperate with the authorities at all levels and have had close consultations with our local law enforcement officials. We are disappointed to find that our willingness to comply with government requests has apparently been overlooked."

PHE's statement said the materials and records confiscated "could have been obtained in a far less costly and disruptive manner," but pledged to "do our best to operate our business in conformity with the law . . ."

PHE officials added that if a simple request had been made for the materials and records by the agents, they would have been voluntarily turned over to the proper authorities.

The statement also said PHE would refuse further comment on the advice of its attorneys.

Policeman arrested

From Associated Press reports

FAYETTEVILLE — A Fayetteville police officer was charged with possession with intent to sell or distribute cocaine and distribution of the drug following his arrest in Raleigh.

Tyrone McLaurin, 34, a member of the department since February 1980, was placed in the Wake County Jail under \$5,000 cash bond after his arrest Sunday.

Cuylar Windham, assistant director of the State Bureau of Investigation, said Monday the arrest took place in a Raleigh motel by an undercover agent assigned to the SBI Drug Enforcement Division.

McLaurin had been transferred to the police department's Service Division on May 27 and was assigned to the City-County Bureau of Narcotics.

Windham said McLaurin was under close supervision by police in Fayetteville from the time of the transfer until his arrest and was not in a position to obtain any drugs.

Fayetteville Police Chief Ron Hansen said he was notified of the arrest by telephone at about 1 a.m. Sunday and McLaurin was immediately placed on suspension without pay.

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