

News at a Glance

Merrill Lynch's O'Neal 'retires'

NEW YORK (AP) — The unfolding credit crisis has claimed its biggest corporate casualty so far: Merrill Lynch CEO Stan O'Neal.

The announcement of his departure last week came after the world's largest brokerage posted a \$2.24 billion quarterly loss, its biggest since being founded 93 years ago. Merrill Lynch did not name a replacement for O'Neal, whose ouster had been expected, and who leaves the company with benefits worth \$161.5 million.

O'Neal was criticized for reportedly approaching Wachovia Corp. about some kind of merger without the approval of his board.

"These losses, coupled with rumors that O'Neal had proposed a merger with Wachovia without the board's approval, essentially dug O'Neal's grave," said analyst Ryan Lentell. "The new CEO's first priority must be to ensure proper risk-management procedures are in place to prevent a recurrence of the quarter's loss."

O'Neal, 56, accepted blame for the losses, which immediately led to calls for his ouster. The mistake would prove to be his last, ending a career that spanned more than two decades at Merrill.

He was one of the highest-ranking blacks on Wall Street — a stunning climb from his impoverished roots in Alabama as the grandson of a former slave.

O'Neal emphasized riskier bets than past Merrill CEOs, rather than the safety of just selling stocks. That strategy — which handed Merrill Lynch record results during the market's peak — came with a heavy cost during the tumultuous third quarter.



O'Neal

White supremacy group plans Jena rally on MLK Day

JENA, La. (AP) — The Nationalist Movement, which describes itself as "pro-majority," will hold a rally in Jena, La., on Martin Luther King Jr. Day, the group announced.

The organization issued a statement this week saying "Jena Justice Day to Empower the Majority" would be held on Jan. 21, 2008, the day set aside to celebrate the birthday of the slain American civil rights leader.

The statement said the Nationalist were "bringing their tools for empowerment to Louisiana to defeat the demands of Al Sharpton." The events planned include a two-mile parade, speeches, ceremonies and petitions "as a centerpiece to abolish King Day."

The announcement of the event follows a massive rally held in Jena on Sept. 20 in support of six black teenagers arrested in December 2006 and charged with attacking Justin Barker, a white classmate at Jena High School, and knocking him unconscious.

The Nationalist Movement describes the event as 'No to Jena 6, No to King.' They also will petition for abolition of the Civil Rights Bill and give a voice to the voiceless, the release stated.

The Rev. B.L. Moran, who has worked with the "Jena Six" families, said they wouldn't try to stop the event but may plan something around that time.

Event stripped of Mandela's name

(GIN) — A South African golfing tournament lost its rights to the name "Nelson Mandela" after dealings by its co-host, Gary Player, with the brutal regime of Burma came to light.

The board of trustees of the Nelson Mandela Children's Fund voted to withdraw its endorsement of the event to protect Mandela's image.

The controversy broke out when Archbishop Emeritus Desmond Tutu blasted Player over his ties with Burma, where he built the Pun Hlaing golf course in 2002.

Many well-known Americans have played at the Nelson Mandela Invitational Golf Tournament including Denzel Washington. Cheech Marin of Cheech and Chong is expected to play this year. The tournament takes place in Western Cape, Nov. 23.

NAACP alleges more discrimination during S.C. black biker week

MYRTLE BEACH, S.C. (AP) — The NAACP filed a federal lawsuit last week against the owners of a Friendly's Restaurant, alleging that for years they closed their building and served a limited menu for the sidewalk during a week-long black motorcycle rally, but kept the full restaurant open during a biker rally attended mostly by whites.

"The limited and standard services available on the sidewalk in front of the restaurant reinforced the message that African Americans are separate and unequal," said the lawsuit filed in U.S. District Court in Florence.

Among the issues raised in the lawsuit is that the food that was served outside the restaurant — and advertised by a handwritten sign — did not mirror the menu available inside, and that the owners of the restaurant did not offer ice cream for sale during the black biker weeks, which are held around Memorial Day. The lawsuit also alleges that diners could only use cash, not credit cards, to buy the food that was offered during the black biker weeks.

"This degrading second-class treatment harkens back to an era when restaurant lunch counters were reserved for whites only," NAACP Interim General Counsel Angela Ciccolo said in a statement.

The lawsuit against the Myrtle Beach owners, Friendly Ice Cream Corp. and Friendly's Restaurants Franchise seeks a jury trial, unspecified monetary awards and asks the court to bar the restaurant from continuing the alleged discrimination.

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Arab passengers sue airline

Men say they were victims of racial discrimination

BY COREY WILLIAMS
THE ASSOCIATED PRESS

DETROIT — Six men of Iraqi descent who were heading home from doing training for the U.S. military sued American Airlines last Thursday, saying employees detained and publicly humiliated them after another passenger voiced suspicions.

The men, who sued in U.S. District Court in Detroit alleging racial discrimination, say airline employees grounded their Aug. 28 flight from San Diego to Chicago and detained them, believing they were security risks.

The men, some of whom are U.S. citizens, were returning to the Detroit area after training Marines at California's Camp Pendleton on Iraqi culture when another passenger expressed concerns to guards partly because she heard the men speaking Arabic.

After taxiing from the gate, pilots returned the plane to the terminal. The six men were segregated and detained while the airline helped more than 100 passengers find hotel rooms, according to a prepared statement from the men.

The suit was filed on behalf



American Airlines will defend itself against racial discrimination in court.

of David Al-Watan, Talal Cholagh, Ali Alzerej, Hassan Alzerej, Hussein Alsalih and Mohammad Al-Saed.

"They treated me like a terrorist," Al-Watan, 30, said in the statement. "We didn't do anything wrong, but they made everybody scared of us."

Flight 590's crew returned the plane to the gate to resolve potential security problems, airline spokesman Tim Wagner said in a statement.

"All passengers disembarked the aircraft after it was

determined that it would not be able to redepart because of San Diego International Airport's 11:30 p.m. flight curfew," Wagner said. "Several passengers were briefly interviewed by law enforcement officers. No passenger was arrested."

The six men took flights with the airline the next morning, Wagner said.

The men worked for Defense Training Systems, a unit of International Logistics Services Corp. of Anchorage, Alaska. Their work involved

teaching Marines about Iraqi culture, customs and etiquette, said their lawyer, Lawrence T. Garcia.

"These are some of the most pro-American people around," Garcia said. "There's no reason to suspect that these people were a threat on this airline. ... This is the face of prejudice and racism that happens today."

— Associated Press writer David N. Goodman contributed to this report.

Did FBI use mob to solve civil rights case?

BY TOM HAYS
THE ASSOCIATED PRESS

NEW YORK — The FBI used mob muscle to solve the 1964 disappearance of three civil rights volunteers in Mississippi, a gangster's ex-girlfriend testified Monday, becoming the first witness to repeat in open court a story that has been underworld lore for years.

Linda Schiro said that her boyfriend, Mafia tough guy Gregory Scarpa Sr., was recruited by the FBI to help find the volunteers' bodies. She said Scarpa later told her he put a gun in a Ku Klux Klansman's mouth and forced him to reveal the whereabouts of the victims.

The FBI has never acknowledged that Scarpa, nicknamed "The Grim Reaper," was involved in the case. The bureau did not immediately return a call for comment.

Schiro took the stand as a witness for the prosecution at the trial of former FBI agent R. Lindley DeVecchio, who is charged in state court with four counts of murder in what authorities have called one of the worst law enforcement corruption cases in U.S. history.

Prosecutors say Scarpa plied DeVecchio with cash, jewelry, liquor and prostitutes in exchange for confidential information on suspected rats and rivals in the late 1980s and early '90s. Scarpa died behind bars in 1994.

The notion that Scarpa strong-armed a Klan member into giving up information about one of the most notorious crimes of the civil rights era has been talked about in mob circles for years.

It supposedly happened during the search for civil rights workers James Chaney, Michael Schwerner and Andrew Goodman, who were beaten and shot by a gang of Klansmen and buried in an earthen dam near Philadelphia, Miss. The case was famously dramatized in the movie "Mississippi Burning."

Investigators struggled for answers in the early days of the case, stymied by stonewalling Klan members.

In 1994, the New York Daily News, citing unidentified federal law enforcement officials, reported that a frustrated J. Edgar Hoover turned to Scarpa to extract information. The Daily News said the New York mobster terrorized an appliance salesman and Klansman already under suspicion in the case and got him to reveal the location of the bodies.

Schiro testified last week that she and Scarpa traveled to Mississippi in 1964 after he was recruited by the FBI. She said they walked into the hotel



Scarpa

where the FBI had gathered during the investigation, and the gangster winked at a group of agents. She said an agent later showed up in their room and handed Scarpa a gun.

She said Scarpa helped find the volunteers' bodies by "putting a gun in the guy's mouth and threatening him." She said an unidentified agent later returned to the room, gave Scarpa a wad of cash, and took back the weapon.

The killings galvanized the South and helped bring about passage of the 1964 Civil Rights Act. Seven people were convicted at the time, but none served more than six years.

Mississippi later reopened the case, winning a manslaughter conviction against former Klansmen and part-time preacher Edgar Ray Killen two years ago. He is serving a 60-year prison sentence.



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