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Former UNC employee misused funds

Athletics audit reveals personal gifts

BY SARAH RABIL
INVESTIGATIVE TEAM CO-EDITOR

A former University employee misused athletic department funds to buy personal gifts between 1999 and 2006, according to a financial review by UNC's audit committee.

Linda K. Rhodes, former executive assistant to Athletic Director Dick Baddour, bought \$4,300 worth of personal gifts from Johnny T-shirt, the UNC clothing and memorabilia retailer on Franklin Street.

An additional \$8,800 was spent on unauthorized purchases, said Phyllis Petree, director of internal audit.

The audit committee could not establish that these purchases

were personal but said they "may not have had a valid business purpose," according to a December 2006 letter reporting the findings to Chancellor James Moeser.

Baddour requested the independent financial review last year after the department's staff red-flagged multiple old invoices from Rhodes.

"I felt that it would be important for someone outside the department to ensure from start to finish it was absolutely done in the right way," Baddour said.

Rhodes, 47, had been employed at the University since July 1991. She resigned October 13, 2006.

She could not be reached for comment.

Rhodes paid Johnny T-shirt

\$4,300 and the athletic department \$60 for items she admitted were personal gifts, Petree said.

Some items were gifts from Rhodes to co-workers or athletics supporters but were still unauthorized, according to the letter.

The department absorbed the remaining \$8,720 cost of the other unauthorized purchases, Petree said. That cost is less than two-hundredths of a percent of the department's \$51 million budget for the 2006-2007 fiscal year.

The department has reinforced its financial controls, but Baddour said there always will be process concerns when a budget is involved.

"I'd never say I'm satisfied it could never happen again, but I'm also comfortable saying we have safeguards in place," he said.

Most of the questionable pur-

chases between March 1999 and December 2001 were mislabeled as gifts from Baddour. The department's financial staff did not initially question the purchases because of the mislabeling, the letter states.

The athletic department had a long-standing departmental charge account set up with Johnny T-shirt that allowed employees to sign for purchases. The retailer later would bill the department.

The account was closed during the audit, the letter stated.

Such accounts were common between local retailers and University departments with a need for frequent purchases, said Martha Pendergrass, director of materials and disbursement services.

"The idea was to make it easy for the local vendors to do business with the University to increase the

local spending," Pendergrass said. But the accounts were not easily traceable in a review, she said.

Johnny T-shirt sent invoices — itemized requests for payment — directly to Rhodes, who did not give them to the finance department to be paid between January 2002 and January 2006. The invoices were not given to the financial staff until July 2006, when it was noticed that some were outdated.

The department's normal review process caught the problem, Petree said.

Now the department is making sure the problem won't repeat, said Martina Ballen, senior associate athletic director for business and finance.

"We just made sure that going forward... We might have something in front of us that looks OK

but to make sure we ask additional questions if any little red flag goes up," Ballen said.

"We're just tightening up controls in our office to make sure those things don't come up again."

The archaic departmental account system with retailers has largely been eliminated. Only a few accounts still exist, Ballen said, and those are being phased out.

Next fiscal year, the audit committee will re-examine the athletic department's finances in the follow-up of all special-request audits.

"We want to make sure things are done correctly. Most things are done the right way, so there wasn't a significant impact in that respect," Ballen said.

Contact the Investigative Team Editor at iteam@unc.edu.

PLAYING WITH FOOD



DTH PHOTOS/LAURA OLENIACZ

Sophomore Alex Mellnik tastes his cantaloupe caviar after cooking it in his Stratford Hills apartment kitchen. Mellnik, a physics major, dabbles in molecular gastronomy, a technique which uses chemistry to give flair to normal foods, such as chocolate or cheese.

BY LAURA OLENIACZ
SENIOR WRITER

Electric-colored fruit juice in a clear glass. Slices of Romano cheese cut from a rubbery block.

That was before. With a few chemical alterations, you can eat your juice with a spoon in tiny spherical droplets of rubbery film that release flavor in a liquid burst.

As for the cheese — it has that same pungent smell and sharp taste — but it looks a lot like sea foam.

Sophomore physics major Alex Mellnik, a self-described hobbyist and sometimes cook, has the know-how to make these old foods take on new shapes.

He uses chemicals common to the food industry to practice molecular gastronomy, the art form/science of using

rudimentary chemistry to give foods new textures and refined tastes.

Internationally renowned restaurants and cooks use such techniques to give their presentation some flair, and the cooking trend has spread to home kitchens.

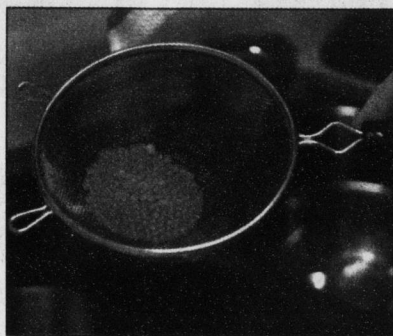
"It's probably just tinkering with things, you know?" said Mellnik, who has a history of getting lost in crafty hobbies, such as boat making and screen printing.

About once a week or whenever he has time, Mellnik can be found at the stove of his Stratford Hills Apartments kitchen.

The tools of his trade are mostly ordinary kitchen utensils: the blender, a spoon, a strainer, a bowl and a thermometer.

Add to that some official-looking bottles labeled "Xanthan Gum," "Sodium

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Mellnik prepares cantaloupe caviar, which he makes by squirting cantaloupe juice into calcium chloride — a process called spherification.

Local improv festival grows

DSI production hits stages today

BY BENNETT CAMPBELL
STAFF WRITER

Call it the little festival that could.

The seventh annual Dirty South Improv Comedy Festival will return to Carrboro today and, as has been the case each year, this one will be bigger than the last. Those organizing the six-day festival promise it will be better, as well.

"We've gotten to the point where we are no longer able to fly under the radar," said Zach Ward, the executive producer for Carrboro's DSI Comedy Theater.

"This year we've actually become one of the largest festivals of improv comedy in the country," he said. "We've grown substantially

every year."

The list of performers is evidence of the giant leaps that the festival has taken. Ward said the festival's first year brought about 35 people to town. But this year, more than 400 performers from 70 national acts are involved, and the highlight of the week will be Saturday Night Live's Horatio Sanz performing at Cat's Cradle on Friday night.

Kevin Patrick Robbins, the executive producer of the Toronto International Improv Festival who will be teaching improv classes at the festival, said he also is impressed with the growth the festival has exhibited.

"When I was here before, most everything was in Hamilton Hall, with a few shows at Local 506," he said. "But now it's at four or five

SEE DSI, PAGE 8

Notable DSI Festival performances

Thursday

10 p.m. — The Carrboro ArtsCenter

► Featured acts: Box O' Bones (New York City), Swayze (Ann Arbor, Mich.), CHIPS (UNC) and The Other Side (Wilmington)

Friday

7 p.m. — The DSI Studio

► Featured acts: Let's Try This! (Georgia Tech University), Project Improv (Louisville, Ky.), Date Night (Southern Illinois University), Papa Fibonacci (Carrboro), Season Six (Washington), Occam's Razor (University of Chicago) and The Whethermen (University of Virginia)

9 p.m. — Cat's Cradle

► Featured acts: Upright Citizens Brigade Theatre (New York City), Bassprov (Chicago) and Horatio Sanz (Saturday Night Live)

11 p.m. — The Carrboro ArtsCenter

► Featured acts: Girls Girls Girls (Austin, Texas), The Shower (Washington) and The Pearl Brunswick (New York City)

Saturday

7 p.m. — The DSI Studio

► Featured acts: Jinx (Washington), Lighted Pools (Haverford, Penn.), Divine Improvidence (Sedona, Ariz.), Baby Liberty (Carrboro), Improv Nashville (Nashville, Tenn.), Diverisary Tactics (Atlanta) and The Oxymorons (Asheville)

11 p.m. — The Carrboro ArtsCenter

► Featured acts: Cathcart & Olson (Chicago) and Death by Roo Roo (New York City)

Full schedule available online at www.dsicomedytheater.com.

Campus parking fines bring millions to schools

Lawsuit redirects citation revenue

BY SHARI FELD
SENIOR WRITER

As a senior last year, Mary Casale evaded paying her parking fines so often it became her specialty.

And it still is.

PART 2: AN ANALYSIS OF PARKING CITATIONS ON CAMPUS

The alumna got out of paying all but one of her 30 citations last school year and still hasn't

paid the fine she got during a visit to campus in October.

"I've actually had people (instant message) me asking me to come up with an excuse for them to tell the ticket people to get them out of a ticket," Casale said. "If it's a good reason, I'll just tell them to be honest."

Between appeals and warnings, 39.5 percent of the 198,378 citations issued by the Department of Public Safety between Jan. 1, 2003 and Nov. 3, 2006 ended up costing violators no money.

To dispute a citation, offenders can mail a written appeal, appeal online at www.dps.unc.edu/dps or

appeal in person within 10 days of receiving a ticket.

Casale cited such reasons as a broken meter and a broken ankle to get out of her myriad tickets.

"I just always had a reason for why I got a ticket and then a legit reason to get out of it," she said.

A complicated lawsuit

DPS issued \$4.9 million worth of parking citations during the past four years even though many of the citations did not include a fine to be paid.

But the University pockets only

a small portion of what it collects.

The outcome of a lawsuit filed by the N.C. School Boards Association in 1998 called for the majority of parking revenue to be allocated to K-12 public schools.

Universities can keep up to 10 percent of the money obtained from parking fines to help recoup the costs of collecting those fines, said Leslie Winner, vice president and general counsel of the UNC system.

But the universities have to front the costs of enforcing parking rules and evaluating appeals without the monetary aid of parking fines.

"I think most campuses lose

money," Winner said.

The institutions cannot afford not to enforce parking either.

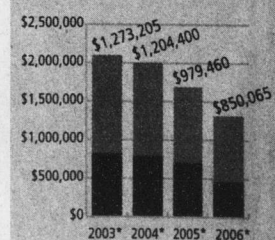
"If we just quit collecting parking fines, there wouldn't be any incentive to obey the parking rules," Winner said. "I don't think the campuses have any choice but to enforce, even if it's a money-losing proposition."

The court ruling mandates that the 16 UNC-system schools turn over at least 90 percent of parking fines collected to the N.C. Office of State Budget and Management to

SEE PARKING, PAGE 8

A fine time parking

The dollar amount of fines paid, the darker bars, compared to the total amount of fines issued that year



*Citations issued Jan. 1 to Nov. 3 of the year
SOURCE: DEPARTMENT OF PUBLIC SAFETY
DTH/REBECCA ROLFE

announcement

NEED A PLACE TO LIVE?

Find out all you need to know to land the perfect pad for next year in our housing guide section found tucked inside today's issue.

inside

HYPING FANS UNC plans to improve Kenan Stadium's student section, PAGE 4

MAJOR INITIATIVE Arab culture studies becomes a new major, PAGE 6

PREGNANT POWER Panelists talk about the politics of pregnancy, PAGE 7



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EXTRA, EXTRAVAGANZA

A Science Extravaganza shows off New Hope Elementary students' projects, part of an effort to increase interest in the sciences.

this day in history

FEB. 6, 1951 ...

Only 67 students attend a meeting to discuss a medical school tuition increase. Representatives said the hike would make the school cease to be a good value.

weather

Mostly sunny
H 40, L 30

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