

# MONEY & WORK

DOW JONES -45.88 (10,457.80)

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## Possible conflict of interest in port probe

A panel member looking into Virginia International Terminals works at a real estate firm that brokers a lease to VIT.

BY PETER DUJARDIN  
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**NORFOLK** — Deborah K. Stearns is on a six-member panel looking into whether Virginia International Terminals is turning over enough information about salaries and other matters to the Virginia Port Authority's board.

Her company also brokers a lease and manages property rented to Vir-

ginia International Terminals, or VIT. Stearns, one of 12 commissioners on the Virginia Port Authority's board, is managing director for the Greater Virginia region — the top local official — for Advantis Real Estate Services Co., based in Atlanta.

Advantis is the brokerage, leasing agent and property management company that leases 28,144 square feet of prime office space in the World Trade

Center in downtown Norfolk to VIT, the company the VPA created in 1981 to run local marine cargo terminals. Advantis leases out the World Trade Center on behalf of the building's owners, a company called Waterside Drive and Main Street Investors LLC.

The Virginia Port Authority also rents space in the same building, under the same lease, through a subleasing arrangement with VIT.

The fact that Stearns oversees a company that arranges leases to VIT raises questions about conflicts of interest as she and five fellow panel members

begin looking into how much information VIT needs to turn over.

"Sure it is, absolutely," a conflict of interest, said Michael Dooley, the William S. Potter professor at the University of Virginia School of Law, and an expert on corporate governance issues.

"This may be the most honest, most scrupulous person in the world. I have no reason to think she's not. But it clearly is a conflict of interest, and it seems to be an odd choice."

Please see STEARNS/C9

*"This may be the most honest, most scrupulous person in the world. I have no reason to think she's not. But it clearly is a conflict of interest, and it seems to be an odd choice."*

MICHAEL DOOLEY

an expert on corporate governance issues, on the appointment of Deborah Stearns, who has ties to VIT, to the panel studying VIT

## Caspian Sea oil pipeline opened

The \$3.2B project is expected to help the Caucasus region, and reduce U.S. reliance on other oil sources.

THE ASSOCIATED PRESS

**SANGACHAL, AZERBAIJAN** — With speeches and a letter from President Bush, officials Wednesday opened the first section of a 1,100-mile pipeline that will carry Caspian Sea oil to Western markets, a project seen as an economic and political boon for the troubled Caucasus region.

The \$3.2 billion U.S.-backed project also realizes several crucial goals for Washington, including reducing dependence on Middle Eastern oil and the need to use Russian pipelines to ship oil westward.

The presidents of Azerbaijan, Kazakhstan, Georgia and Turkey attended the ceremony at the Sangachal oil terminal, about 25 miles south of Azerbaijan's capital, Baku.

Beginning in Azerbaijan — a mostly Muslim country and a U.S. ally in the war on terrorism with troops in Iraq — the underground pipeline passes through Georgia and Turkey, ending at the Mediterranean port of Ceyhan. It avoids going through Russia, Armenia, Iran, Iraq and Syria on its way to the Mediterranean.

It passes within a few miles of Nagorno-Karabakh — an enclave that ethnic Armenian separatists took control of more than a decade ago. The conflict continues to simmer, undermining the region's security. Critics of the pipeline have suggested it could be vulnerable to terrorist attacks.

The pipeline's route through Georgia avoids the two separatist regions in the north of that country, but does traverse areas where security is fragile. Some of its stretch in Turkey goes through conflict-prone Kurdish areas.

The Baku-Tbilisi-Ceyhan pipeline, with a capacity of 1 million barrels per day, "will take new supplies of oil to the world market and will help to demonstrate that security is best achieved by having multiple sources of supply and trade routes," BP PLC Chief Executive John Brown, whose company leads the consortium that built the pipeline, said at the ceremony.

It is the first direct oil link between the landlocked Caspian, which is thought to contain the world's third-largest oil and gas reserves, to the Mediterranean.

## NOT TOO HOT TO HANDLE



"We sell much more hot, hot, hot (merchandise) to people," said Pat Haggerty of Pendery's in Fort Worth, Texas. The company, which sells spices and chile peppers, has seen sales heat up in the past few years. KRT PHOTO

## Spice market sizzles as consumers heat up

Americans are finding that hot is tasty — and they're willing to pay for the pain.

BY KAREN ROBINSON-JACOBS  
THE DALLAS MORNING NEWS

**DALLAS** — The heat is on ... on everything from chicken wings with "atomic" sauce to chocolate chipotle biscotti.

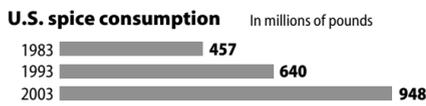
Changing demographics, increased international travel and the Food Network have combined to boost U.S. consumption of hot spices and spicy-hot foods to levels never before seen in the land of meatloaf and potatoes.

And that growing yearn to burn is putting cold, hard cash in pockets up and down the food chain, food experts say.

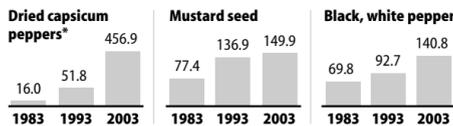
To be sure, consumers who just want meals with a little extra kick outnumber pure pepper heads, who delight in sampling the most scalding of sauces. And diges-

### Some like it hot

Spices that pack a punch, are gaining in popularity in the United States.



### U.S. imports



\*Includes red chiles, cayenne pepper

Source: U.S. Agriculture Department

KRT

tive woes still keep some consumers away from spices altogether. But clearly, sales of hot spices and the foods they fill are on the rise.

Overall spice consumption in the U.S. rose by 107 percent between 1983 and 2003 to 947.9 million pounds, or 3.3 pounds per person,

according to the U.S. Department of Agriculture.

Within the broad spice grouping, the fiery flavorings are red hot: Imports of dried capsicum peppers, a class that includes long red chiles and cayenne peppers, rose by 869 percent to 155 million pounds in that same period,

the USDA said.

Fueling that growth, in part, is immigration. "You have people coming from countries that are known for their hot, spicy foods: from Asia, the Caribbean, Mexico," said Dave DeWitt, editor of Fiery-Foods magazine and Fiery-Foods.com. "They're introducing ... (those foods) to people in the U.S."

Add to immigration a dash of increased foreign travel and exposure to popular cooking shows — both of which have increased consumers' food sophistication — and you have the recipe for increased spice sales.

Packaged Facts, the publishing division of Market-Research.com, estimates that 2004 U.S. retail sales of all seasonings and spices were \$2.8 billion, up 12 percent from 1999.

McCormick & Co., the world's largest spice company, said it has seen U.S. sales grow by \$326 million, or 27 percent, over the last five years.

## More shops for Port Warwick

Thirteen businesses are scheduled to open by fall in the upscale Newport News community.

BY NOVELDA SOMMERS  
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**NEWPORT NEWS** — If you want a mental picture of Stephen and Misty Odell's future pharmacy at Port Warwick, ask your grandparents.

The Odells' pharmacy doesn't exist yet, except as an empty storefront, but the Hampton couple said they're planning the kind of drugstore and soda fountain that Norman Rockwell might have depicted, a hangout with an old-fashioned soda fountain.

Portside Pharmacy and Soda Shoppe will join 12 other businesses opening at the upscale Port Warwick development this summer and fall. With the additions, the area's shopping and eating space will be 90 percent full, said Port Warwick developer Bobby Freeman.

At the pharmacy, Stephen Odell, who is a pharmacist, will fill prescriptions and mix specialty compounds for patients. Misty Odell will manage the soda fountain, where patrons can order banana splits, shakes and colas with a splash of vanilla. "We're going for that hometown atmosphere," Stephen Odell said.

Freeman said he was highly selective in choosing the mix of businesses surrounding his Styron Square. He wanted small, locally owned businesses, not chain stores found in every city. The area already is home to almost 30 shops, restaurants and other enterprises, most of them managed by owner/pro-prietors.

"This is like the last piece of the puzzle," Freeman said of the 13 new stores.

Additionally, work soon will begin on a new building on Loftis Boulevard that will house 41 condominiums and 10 to 15 businesses. The so-named Turner Building is scheduled for completion next year. When all of Port Warwick's shops and businesses are open, 1,500 people will be living in the development and another 1,500 will be working there, Freeman said.

Port Warwick's commercial

Please see PORT WARWICK/C11

## Company's Web site spreads the word of work/life

The stated goal of Work & Family Connection, founded in 1984, has been "to help employers create an effective work force of human beings, people with important personal responsibilities."

The work/life consulting and training firm based in Minnetonka, Minn., has long been known for its innovative



### Careers

CAROL KLEIMAN

approach to spreading the word about the advantages of having a life for employees and the companies that they work

for. Now the organization has a new — and free — service to support its philosophy.

It has created an Internet reference service, the Work-Life Bookstore. The virtual bookstore includes more than 200 titles pertaining to work/life issues, arranged by topic. (The bookstore can be accessed at www.workfamily.com/open/

work-life-bookstore.asp.)

Rachel Hastings, vice president, said the online clearinghouse was created "because we're asked so often to recommend useful reading. We wanted to cut through the myriad of titles out there and classify them for our readers."

Please see KLEIMAN/C9

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### MORE/MONEY & WORK

#### Stocks drop as oil climbs

Higher oil prices renewed doubts about the economy. C11

## MONEY &amp; WORK

Business  
briefsNN, Norfolk airports  
upgrade wireless access

The two main airports in Hampton Roads upgraded their wireless Internet access this week.

Newport News/Williamsburg International Airport hired Opti-Fi Networks to upgrade its system to reach more "dead spots," where it was hard to get service. Those included the boarding area and lower waiting lounge. The system allows passengers with a wireless-equipped laptop to get a high-speed Web connection for a fee.

Norfolk International Airport hired Rhode Island-based ICOA, which will sell high-speed wireless Internet access for \$6.95 a day. Airport information can be accessed for free in the terminals and for subscribers to some Wi-Fi Internet services such as iPass and Boingo.

Dollar Tree feeling  
weather, fuel effects

Chesapeake-based Dollar Tree Stores said quarterly profit fell because of unusually cool weather in parts of the United States and high gasoline prices that cut consumer spending.

The retailer, which specializes in merchandise priced at \$1 or less, said it expects high fuel costs to continue hurting profits in the current second quarter, and forecast earnings per share at or below Wall Street estimates.

The company, which also cut its full-year outlook, said it was taking steps to boost profit, including increasing spending on advertising.

The retailer earned \$29 million, or 26 cents per share, in the first quarter ended April 30, compared with \$35.2 million, or 31 cents per share, in the same period a year earlier.

Tyson to probe charges  
of inhumane slaughter

Tyson Foods will investigate allegations of inhumane chicken slaughter, but the poultry company said an undercover animal rights photographer apparently violated company policies by videotaping "what he should have been preventing."

Norfolk-based People for the Ethical Treatment of Animals distributed videotapes and started a Web site accusing Tyson of mutilating birds and scalding thousands while they were conscious in an Alabama slaughterhouse. The group also said its videotape showed workers tearing heads off live chickens.

Tyson, the world's largest poultry processor, said a veterinarian from its office of animal well-being would look into the allegations.

Ford will take over  
24 Visteon parts sites

Ford Motor Co. has agreed to help struggling auto parts supplier Visteon, a former Ford unit, by temporarily taking over 24 of its sites in the United States and Mexico.

The nation's second-biggest automaker said it agreed to manage a total of 20 plants in the United States and four in Mexico through a temporary business entity in order to sell them over time. As a temporary entity, the new holding company will lease salaried employees from Visteon and all hourly UAW Ford employees working in Visteon sites.

Under the plan, Ford would put 13 UAW-represented plants in a holding company and try to sell them, union officials said.

Fresca brand getting  
new look, new flavors

Fresca is getting a new look and two new flavors.

Coca-Cola will give a "fresh, contemporary look" to Fresca, including a new logo and new packaging graphics. The two new flavors — Sparkling Peach Citrus Fresca and Sparkling Black Cherry Citrus — will be introduced in the U.S. in September. The new drinks will be introduced as zero-calorie line extensions to the Fresca brand.

FROM STAFF AND WIRE REPORTS ■

▶ STEARNS Continued from C8

## Experts say panel must be above suspicion

Dooley also said VIT board member Regina Brayboy, of Hampton, WHRO's chief operating officer who was appointed to the working panel that will make its recommendations by this fall, also has an inherent conflict as a VIT board member looking into VIT.

Conflicts of interest are not necessarily bad, he said, so long as they're disclosed outright. But committees and their results are more likely to be above reproach, Dooley said, if their members are completely independent.

Ross Albert, an attorney and corporate governance expert with law firm of Morris, Manning and Martin, in Atlanta, added: "The most prudent, or, dare I say, conservative course, is someone who has absolutely no connection. That way, you're only interested in doing what's best for the corporate governance. It's the principle of Caesar's wife. You must be above suspicion."

Albert referred to Julius Caesar's second wife, Pompeia. When she was implicated in scandal in 61 B.C., Caesar immediately divorced her, even while there was evidence she was innocent.

Stearns, however, said there's no conflict of interest, and said she can do a good, honest job on the panel looking into VIT. She has past experience on area boards, having been the chairwoman of the Norfolk Airport Commission, for example.

"Obviously I believe in public service," Stearns said. "The chairman (VPA chairman John Milliken) asked if I would be willing to serve on this committee, and I believe it's an important piece of work that needs to be done. I am a person who really does look for the truth and the facts. And when I agreed to participate, I didn't perceive that I had any conflict of interest."

Advantis doesn't own the World Trade Center, Stearns pointed out. The building is owned by a company called Waterside Drive and Main Street Investors LLC. Stearns said Advantis' lease agreements preclude her from revealing the cut to Advantis on the lease.

Also, Stearns said, VIT became an occupant of the World Trade Center in 1983, long before Warner appointed her to the Virginia Port Authority's board in 2002. She said she plays no direct role in negotiating leasing rates with VIT, leaving that to one of the 40 leasing agents who work for her in Hampton Roads. And she said she has no ownership interest in Advantis.

When asked whether she disclosed that her company leased the space to VIT when Warner appointed her to the VPA board, Stearns said, "I believe I did."

VIT rents 28,144 square feet of space through Advantis. The Vir-

## ▶ KLEIMAN

Continued from C8

Hastings explained that the online bookstore was "partnered with Amazon.com., so that is where you ultimately end up making a purchase."

She also said her organization made "a teeny bit of money" from forwarding traffic to Amazon — but only if a book was purchased.

"The benefit to the reader is that we've already done the search ... and have filtered books that are up to date and relevant on a number of work/life-related categories."

The categories are to the point for employers and employees: work/life strategies for human resource professionals; flexible work arrangements; supportive culture; retention; families and children, diversity, caregiving; health and wellness; stress; personal development and training; and work/life balance.

Among the titles screened by the group are "Reinventing Work" by Barbara E. Miller; "Work/Life Effectiveness" by Karol Rose; "Work/Family: Allies or Enemies?" by Stewart Friedman and Jeffrey Greenhaus; "Beyond Work/Family Balance" by Rhona Rapoport and others; and "Contented Cows Give Better Milk" by Bill Catlette and Richard Hadden.

The plethora of literature about having a life and a job is indicative of the increasing interest in work/life balance and of the growth of work/life as an area of work and study.

Carol Kleiman writes for the Chicago Tribune, a Tribune Publishing newspaper. She can be reached at ckleiman@tribune.com. ■

ginia Port Authority subleases most of that space, or 22,700 square feet, from VIT.

The VPA sublease costs the VPA \$34,944 a month for 22,300 square feet of that space, or \$419,328 a year, Virginia Port Authority officials have said. If both entities pay the same rate per square foot, VIT would pay \$109,890 per year.

That would bring the total amount VIT and VPA pay on the lease to about \$529,218 per year. Most of the leasing money, Stearns said, goes to the building owners, aside from the undisclosed cut Advantis makes.

John Ryan, VIT's attorney with the Norfolk law firm of Vandeventer Black, to whom VIT officials have referred all questions regarding the salary issue, refused to say how much VIT pays for the space.

"We don't think that's any of your business," Ryan said. "They really don't want to get involved in this investigation. They are spending their time productively running the terminals. These questions are a distraction ... I think you're a distraction. To answer this means they have to have someone go look up the lease. They don't want to do that. They're not going to do that."

Meanwhile, the citizens of Virginia — who wholly own VIT — still don't know the annual compensation packages of VIT general manager Joseph A. Dorto; assistant general manager Richard Knapp; finance director W. Millard Meiggs; operations director Lynn Tarkenton; technology director David Seale or any other top VIT officials.

Officials contend VIT is a private company, arguing that

revealing the compensation would cause them to lose employees to other ports.

The six-member panel that Stearns was appointed to on Tuesday is designed to look into whether Virginia Port Authority's board of directors, which answers to Gov. Mark Warner, is getting enough information from VIT to perform their own fiduciary duties.

VIT, founded by the state in 1981 to run the state-owned ter-

minals, claims to be a private company, and closely guards many of its financials. The authority's 12-member board — which appoints VIT's seven member board, approves its budget and depends on the company for half its revenue — say they don't know the salaries of VIT's top executives, nor does the authority's executive director, a permanent member of VIT's board.

Other members of the panel

looking into the matter, aside from Stearns and Brayboy, include Mark Goodwin, a VPA board member and general counsel and secretary at Overnite Corp., a Richmond transportation services company that recently was bought by UPS; Conway H. Sheld III, an attorney with Jones, Blechman Woltz and Kelley, in Newport News; and Joshua Darden Jr., president of Darden Properties, in Norfolk; and Milliken. ■



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