THE BATTALION Page 7

# Southeastern Bell scandal reaching long-awaited end

United Press International SAN ANTONIO, Texas — More than five years after top Texas telephone company executive Thur O'Dell Gravitt asphyxiated himself in his Dallas garage — leaving a note saying "Watergate was a gnat com-pared to the Bell system" — all the charges and counter charges finally

When the Texas Supreme Court makes its final ruling, expected this year, on the libel and slander suit filed by Gravitt's survivors and former Southwestern Bell official James Ashley, the lid on Pandora's Box likely will close

It has made years of interesting — and costly — reading for ratepayers as Southwestern Bell paid some \$2 million in attorney fees to defend itself against the sensational charges generated by Ashley and Gravitt. The telephone company and some of its executives were accused of maintaining illegal political slush-funds and making illegal campaign contributions, tapping telephones, pressuring female employees into sexual relationships, engaging in underhanded rate practices and wining and dining — and providing women for — the politicians who set the rates.

During the long court battle the reputations of Ashley and Gravitt, which the libel and slander suit fied the two executives were at the bottom of the very wrongdoing which they alleged was carried out

In

by the huge utility. Ashley and Gravitt were accused of sexually harrassing female subordinates, padding their expense accounts and engaging in conflict of interest.

It never was established definitely who - if anyone - emerged victorious. Both sides now claim triumph and exoneration. But both indicate they would just as soon forget it.

uiey would just as soon forget it. One San Antonio jury awarded Ashley and his wife \$1 million on grounds Bell tapped their tele-phones, and another local jury pre-sented Gravitt's widow and Ashley with \$3 million on ground to the with \$3 million on grounds the two executives were libeled and slandered by company investigators. But Ashley has collected nothing

and maintains "money never was the primary issue. It was a principal thing — don't get me wrong — but I'm not sitting around waiting for any money that might be forthcoming." Bell officials proudly note that both money awards were overturned

point to a lengthy Federal Com- the case again in similar circumstmunications Commission investigation which last October absolved the company of any of the wrongdoing

alleged in the sensational trials. The State Supreme Court has forever doomed the original \$1 million wiretapping award and unless it departs from its standard procedure of upholding civil appeals courts in such cases, it will also rule in Bell's favor in the remaining libel and slander suit, previously overturned by the 4th Court of Civil Appeals.

Ashley and his colorful attorney,

Ashley and his colorul attorney, Pat Maloney, however, contend they are still optimistic the \$3 million jury award will be reinstated. "We're confident they will (rule on behalf of Ashley and Gravitt)," Ashley said. "We've always felt that

"I think this is a different lawsuit," added Maloney, who portrayed his client as David versus Goliath. "We really have high hopes. It's been pending more than a year now. One can conclude from that that it is

being seriously regarded." But Bell officials, with two major court victories to their credit, are more optimistic the Supreme Court also will uphold its arguments.

'Folks over here feel that we don't have any comment. We couldn't add reputations of Ashley and Gravitt, which the libel and slander suit ostensibly sought to protect, took a mailing as company witnesses testiother matters.

Ashley, who once called himself "The Ralph Nader of the telephone industry," claims his revelations in the lawsuits helped push the legislature to final approval of a Texas Public Utilities Commission, which for the first time regulates telephone rates throughout the state. Previously each city dealt individually with the telephone company, leading to Texas being one of the top profitmaking states for the American Tele-

phone and Telegraph Co. It is debatable whether Texas ratepayers have noticed much difference, however, because the commission continues to approve telephone rate hikes, the most recent one for \$137 million, just \$9 million less than Southwestern Bell requested. "They're (Bell) the master of the

mechanics (of obtaining rate hikes). Throughout the country they've majored in living comfortably with reg-"We're disappointed (with the com-mission), but obviously it's an im-provement. NRSC

Maloney admits he may not make on appeal on grounds the evidence any money for his legal services bedid not support the verdicts reached by the San Antonio jurors. They also jury awards, but said he would take

"It's been a costly experience, but

one I would relive again," the attor-ney said. "It's a difficult thing being against the largest corporation in the world which has endless resources." The allegations began flying after Oct. 17, 1974, when Gravitt, the handsome silver-haired Texas vice president of the company and former president of the San Antonio Cham-ber of Commerce, closed his garage door in Dallas, started his car and

died of carbon monoxide poisoning. Two weeks later his friend, Ashley, was fired from his \$60,000 a year job as commercial manager in San Antonio. Then on Nov. 15, 1974, the \$29 million libel and slander suit was filed, alleging the two officials were being harrassed because they opposed widespread wrongdoing in Southwestern Bell.

The suit portrayed Southwestern Bell executives as "super high livers'

- \$100 Award for First Place

eligible.

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engaging in rampant promiscuity and keeping a double set of books to obtain unjustified rate increases in Texas. The suit charged Bell investi-

gators hounded Gravitt to commit suicide and caused Ashley's firing. C.L. Todd, local Bell chief, counter-charged that if there was any wrongdoing, Ashley and Gravitt were behind it.

Todd recently preferred to let Gil-liam do the talking after claiming numerous times the appeals courts had upheld his original position.

Bell's battery of attorneys countered the allegations in court by calling 15 women who told of alleged sexual harrassment and sexual encounters, on desk tops and in motel rooms, with the two former executives. They also presented evidence of false vouchering by the two men and an alleged conflict of interest by Ashley in a printing firm which did business with Southwestern Bell.

## 1 ayatollah equals 1/2 a restaurant

United Press International WILLIAMSVILLE, N.Y. — The waiters and waitresses wore military outfits. The customers' uniforms, medals and artillery were worth food profit.

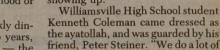
Sunday was "Proud to Be An American Day" at Goldie's Res-taurant, and proof that a person once served in the armed forces - discharge papers or dog tags — was worth a free drink. A medal would

get the owner a gift of either food or drink. showing up." Williamsville High School student

A tank was good for a weekly dinner for two for the next two years, and the Ayatollah Khomeini — the and drink and the ayatollah could have been traded for a piece of the would have netted the captor the jackpot: half-interest in the restaurant

> Proprietor Joseph D'Angelo said two tanks were en route from Carlisle, Pa., and Geneva, N.Y.

"They're on flatbeds," he said. We're looking forward to them



the ayatollah, and was guarded by his friend, Peter Steiner. "We do a lot of crazy things," Coleman explained, "and we wanted to try this." He estimated that 1,000 people

turned out for the party, "even from Philadelphia and Washington." D'Angelo also circulated a petition that he will send to Congress in an effort to have Feb. 10 proclaimed

"Proud to Be American Day," a national holiday



## \*\*\* PARTY & MIXER \*\*\*

**Texans** 

Connally

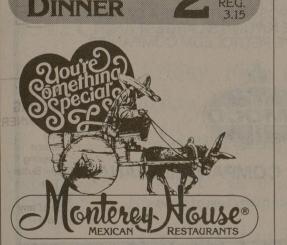
Join us on Valentine's Day at Last National Bank Bar as we watch John Connally on national television. 8 p.m.

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