2 oilmen sentenced in plot to raise prices

United Press International

HOUSTON — A judge Wednesday sentenced two oil resellers to six months in jail and fined them $34,000 each for their convictions of mail fraud in a scheme to profit illegally by inflating prices on crude oil.

Charles Goss, former president of Ball Marketing Enterprises Inc. of Lafayette, La., and George Benson, a former vice president of Western Crude Oil Co. of Denver, Colo., were convicted Nov. 9 of 24 counts of mail fraud.

They also were convicted of conspiracy to commit mail fraud in a scheme to profit from multi-tiered federal oil price controls by fraudulently selling at high tier prices oil purchased at lower price levels.

U.S. District Judge Gabrielle K. McDonald imposed six months in prison and a $1,000 fine on each of the 24 mail fraud counts and six months and a $10,000 fine on the conspiracy count. The prison terms will run concurrently.

Both men indicated they will appeal.

The convictions resulted from a lengthy investigation of oil sales by the U.S. Attorney's Office in Houston.

Doctor links prolonged IUD use to pelvic disease, possible sterility

By BECKY SWANSON
City Staff

The use of an intra-uterine device (IUD) as a means to prevent pregnancy has been linked to a pelvic inflammatory disease which can result in extensive tissue damage and sterility.

IUDs have been linked to cervical cancer, but previously were thought to be free of bacteriologic risks. However, evidence from a new study indicates that women who have worn their IUDs longer than two or three years stand a greater chance of developing actinomycosis, a pelvic inflammatory disease which can cause damage leading to partial or total sterility.

Dr. Waldemar Schmidt of the Department of Pathology and Laboratory Medicine at the University of Texas Medical School at Houston has surveyed all cases of actinomycosis reported since 1928.

Schmidt said he and his associates wanted to find underlying patterns among reported cases which would reveal who was prone to the disease.

Actinomycosis was once considered to be a rare disease, Schmidt said, but it has been occurring with increasing frequency as the use of IUDs has become more widespread.

"It seems to occur most often in women who have worn the same IUD for over three years," Schmidt said. "Also, it is more likely to occur in young women."

In cases where the disease has become extensive, it is usually recommended that the Fallopian tubes and ovaries, and sometimes the uterus, be removed surgically, Schmidt said.

"My concern is that this problem can result in a woman's becoming sterile when she originally only wanted to control reproduction by using the IUD," Schmidt said. "She wanted to leave open the option of having children."

Nine cases of actinomycosis have been reported in Houston within the past two years, Schmidt said, marking an increase in the frequency of its occurrence.

Schmidt said they have not yet determined why the risks of contracting actinomycosis are greater for the long-term IUD user, but it may be linked to calcium deposits that build up on the IUD while it is in the uterus.

He said research to find out the origin and development of the disease is still being conducted.

The most frightening aspect of actinomycosis, Schmidt said, is that it is very hard to diagnose and is often missed.

"The symptoms are out of register with the extent of the disease," he said. "With other pelvic inflammatory infections, there are painful symptoms which occur early enough that the disease can be treated before much damage is done."

By the time actinomycosis can be detected by these means, it is already well established, Schmidt said.

Some of the symptoms associated with actinomycosis include fever, chills, localized pain, tenderness in the pelvic area, bowel trouble or a discharge from the cervix.

Actinomycosis can be detected in its early stages by laboratory analysis and "it appears that a good number of cases can be detected with the Pap smear," Schmidt said. But not all cases can be diagnosed with the test.

"The disease is easily treated with antibiotics — if you can get to the organism," Schmidt said.

An additional problem with the actinomyces bacteria is that they cause walls of fibrous tissue to build around them, making it difficult for antibiotics to get to them. As a result, the infection may not be completely eliminated and can recur.

Actinomyces bacteria must be battled with large doses of antibiotics given for an extended period of time.

"Where a person with strep th[illegible] is given antibiotics for 10 da[illegible] woman with actinomycosis has [illegible] given antibiotics for six to [illegible] weeks," Schmidt said.

"The disease is very damaging," he said. "The antibiotic cannot [illegible] the damage, it only kills the bacteria."

"It's not likely that the wo[illegible] would die from actinomycosis, b[illegible] can cause infertility, either par[illegible] or totally," he said.

Schmidt said actinomycosis [illegible] not seem to be linked to any par[illegible]lar type of IUD.

"It's no one kind of IUD, rath[illegible] appears to be how long the IUD [illegible] been worn," he said.

"The solution to this proble[illegible] very simple," Schmidt [illegible] "Women should have their IUD [illegible] placed every two years, or [illegible] years at the most."

He also recommended th[illegible] laboratory analysis be done on a [illegible]sue specimen taken from the IUD [illegible]

— the IUD has been in [illegible] than three years.

— the IUD looks abnormal [illegible] it is removed.

— the woman has experien[illegible] pelvic unusual complaints.

— there is any unusual odor [illegible] the IUD.

— her pelvic examinatio[illegible] abnormal in any way.

"If actinomyces organisms [illegible] found upon inspection of the IU[illegible] the woman should resort to a di[illegible]rent type of birth control," Sch[illegible] said.

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Veteran applications due March [illegible]

The application for Vetera[illegible] Administration benefits for the su[illegible]mer term has been set for March [illegible]

Eligible students, including ve[illegible]ans and the dependents of disa[illegible] veterans should file by that date [illegible] order to avoid disruption of bene[illegible] said Jim Moore, director of vete[illegible] affairs.

Applications can be made at R[illegible] B, Hart Hall any weekday betwe[illegible] a.m. and 5 p.m.

'Oops'

The credit line on the All-Nite [illegible] picture on page 1 Wednesday [illegible] incorrect. The picture was taken [illegible] David Einsel. The Battalion reg[illegible] the error.

General Telephone Files For First Statewide Rate Changes Since 1976; New Rates Should Be More Equitable

For the first time since the Public Utility Commission of Texas began regulation of Texas telephone companies, General Telephone Company of the Southwest is asking for rate changes designed to produce about $58 million in additional annual local revenues. Because this case is being filed on a statewide basis, adhering to statewide rate making principles, there is no "average" increase we can quote for an "average" customer. Increases will vary from community to community. Rates for all General Telephone customers in Texas will be affected, but there will be no changes in long distance rates. Here is our case:

Phone service is a good buy
You don't need us to tell you prices have gone up. But the price for phone service hasn't gone up as much as you may think. In fact, you may easily spend more on coffee for coffee breaks than you do for a month of basic local service. Contrast that with the prices you pay for shoes and sugar or gasoline and hamburger. Or contrast it with what we pay for poles, wires, cables, etc. We can't sell 1980 service at 1976 prices...and stay in business.

We're facing facts
America's investor-owned utilities are fighting to stay financially sound and we're in the middle of that fight. As part of on-going good management, we constantly work to improve the efficiency of our operations. We've even gone to the length of redesigning truck bodies ourselves because we needed a less expensive, lighter weight, more fuel efficient model and automotive engineers weren't interested in the small (to them) number we'd purchase. We've managed to avoid the rate increase arena for nearly four years through efforts like these but they aren't enough any more. We don't intend to become a financial burden to anyone...and we can face facts. So, let's face this one: it's either a rate increase or some other alternative.

What alternatives?
1. Downgrade customer service.
2. Defer plant and equipment additions.
3. Let our shareowners' investment deteriorate.
4. Ask our employees to give up justified wage increases.

Alternative 1: Downgrade customer service
You expect phones to work as close to 100 percent of the time as is possible and when phone service is out, you want it fixed. Fast. We agree. And you don't want to wait to get service to begin with, no matter how fast Texas grows. We also agree. Therefore, we can't let service deteriorate simply because costs of providing it increase. In fact, from our point of view, service in some spots could stand improving...and we ought to know: we've been in this business a long time. But improvements cost money.

Alternative 2: Defer plant and equipment additions
We've already done that...or as much as we possibly could. Texas has been experiencing unprecedented growth and that's nice, because growth is healthy. The trouble is we have had to spend (and borrow) unprecedented amounts of money (at unprecedented interest rates) to provide the facilities to meet that growth. And the dollars we spent in 1979 and will spend in 1980 don't buy as much as they used to. They don't even buy as much as they did the last time we had increases in rates -- 1976. We've had customers tell us, "Look, my service is fine. Let it stay the same until 1999, just leave the rates alone." Sounds great, but it's not that simple. Even if it were possible, we'd still be spending millions each year just to maintain what's out there now. Practically speaking, however, we can't stand still. The rules under which we operate say we must meet all reasonable service requests in a timely manner. Telephone equipment is complex and it can't be put in overnight. With the way Texas has been growing and the way inflation is rampaging, some days it seems as though it will take all the running we can do and all the dollars we have just to stay in the same place. The engineering and construction work we do (and pay for) today determines the quality and quantity of service tomorrow.

Alternative 3: Let our shareowners' investment deteriorate
Everyone loves this answer...except the shareowners...and they may be you directly, or indirectly, if you have a pension plan, life insurance or own mutual fund shares. Realistically, however, shareowners have to earn a reasonable return on their investment. Otherwise, they don't invest. Would you? It was yesterday's investment money which bought the equipment serving you today and today's investment money is needed to buy the equipment to serve you tomorrow.

Alternative 4: Ask our employees to give up justified wage increases
Our employees are skilled and dedicated and we need them. To cut costs by denying them justified increases would be counter productive. We must pay competitive wages and benefits to attract and hold employees with the skills and productivity we need. As Texas grows, we'll need even more. If we lose or can't find quality employees, your service could suffer.

So what's left?
That's pretty obvious: a rate increase. But it won't happen right away. It's not that simple and it isn't automatic. Most businesses, if their costs go up, simply raise their prices or drop the service. We are a regulated utility and even when we aren't receiving enough money for service, we must continue providing it and keep on doing so until we can prove to the Public Utility Commission of Texas (PUC) that we're in financial need. Only then can we plead our case for a rate increase. What's more, it takes time before we receive authority to increase rates. By then, inflation may have lowered the buying power of the dollar enough so we're right back where we started or worse.

The tax collector wins
We're asking for about $58 million in additional annual local revenues, half of which will go to increased taxes. Just about half of any increase we ever get goes to increased taxes.

About those varied increases
We can't give you an "average" increase for an "average" customer. Increases are going to vary, literally, all over the map of Texas. The chief reason is a shift from city-by-city rate-making to statewide rate-making. When this shift is completed, you will be paying rates based on the number of telephone numbers you can call without a long distance charge. We think you'll find this system fairer to all.

No increase is popular
We know you aren't going to like an increase in phone rates. In today's economic climate, we don't blame you. We don't like it, either. We also didn't like the astounding increases in electricity, gasoline, telephone equipment, taxes, interest rates, etc., we've faced over the last few years...but we've had to pay them.

We're consumers ourselves
We're trying to be as open and aboveboard as we can. There's nothing hidden about our operations and we aren't some giant out to gouge the consumer. We're consumers ourselves and we're doing our best to protect you and your phone service...and to keep the rates for it within everyone's reach.

We'll talk and listen
So, there it is. We've got to earn more money and raising rates is our only choice. If you have questions about your individual service rate, call your local business office or your division manager. Division managers are listed in the front of your phone book. They'll even help arrange speakers for your club or organization. We're all people you can talk to...and we want to keep you talking.

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