

Despite cutbacks, Lonely Planet to lay off employees

OAKLAND, Calif. (AP) — Guidebook publisher Lonely Planet is laying off 15 percent of its work force, mostly in the United States, because of slumps in travel and the economy.

To forestall a reduction last fall, the company had offered its 500 workers a chance to wander the world on reduced-pay leave. About 100 employees took 15 percent pay

for up to five months and now may lose jobs they were promised they could keep.

"It's something we're trying to sort out how to handle," Lonely Planet co-founder Tony Wheeler said.

The company saved more than \$515,000 in payroll, but the leave program wasn't enough. Most of the cuts will come from the U.S. operation in Oakland,

which employs 150 editors, mapmakers and designers. A handful of the 75 jobs will be lost at the London offices.

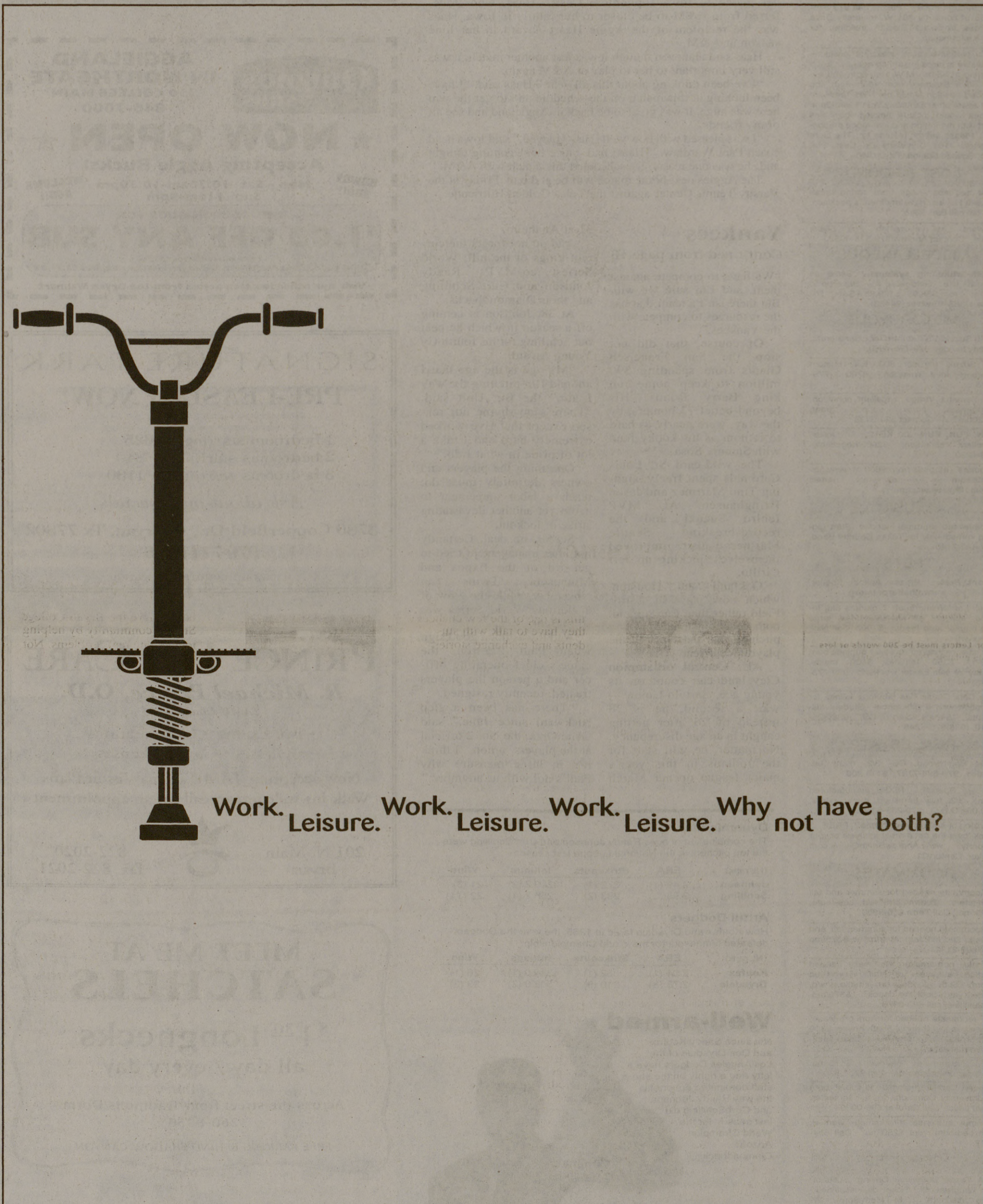
Over several months the company will consolidate at its Melbourne, Australia, headquarters.

Wheeler said travel jitters after September's terrorist attacks, a global economic slowdown and the high cost of

doing business in the San Francisco Bay area led to the cuts.

Industry analysts said last fall's losses were too much for small publishers such as Lonely Planet to absorb.

"There's a lot of competition out there for those guides," said Stephanie Oda, a co-publisher of Subtext, a publishing newsletter.



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Andersen pleads innocent

HOUSTON (AP) — Accounting firm Arthur Andersen pleaded innocent Wednesday to charges it shredded documents and deleted computer files related to Enron Corp., and was granted the quick trial it had been seeking.

"I plead not guilty," Gene Fraunheim, managing partner of the Houston office for the Chicago-based firm, told U.S. magistrate.

The grand jury indictment unsealed last week accused the Big Five firm of obstruction of justice. U.S. District Judge Melinda Harmon set a trial date of May 6.

Andersen attorney Rusty Hardin blasted the government's case and said a speed trial would help the firm survive and salvage its reputation.

"An indictment is just as bad as a conviction in terms of the company's reputation unless we get a quick trial and vindication," he said.

He said the indictment ended talks with the Securities and Exchange Commission over a \$500 million settlement to compensate investors who suffered losses when Enron collapsed last year.

"They wanted Arthur Andersen to roll over, and they wanted its employees to roll over," Hardin said of prosecutors. "Enron is the object of their investigation. They were willing to take the company down to get there."

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— Rusty Hardin
Andersen attorney

The firm also is losing high-profile clients. BB&T Corp., one of the nation's largest consumer banks, said Wednesday it has dropped Andersen after 30 years as its independent auditor. Houston-based energy marketer Dynegy Inc. dropped Andersen on Tuesday after 15 years.

Samuel Buell, one of the federal prosecutors on the case, said the firm was responsible for its problems. "I totally disagree that this indictment is somehow the death penalty for Arthur Andersen," Buell said.

Before the arraignment, hundreds of Andersen employees stood across from the federal courthouse chanting, "Save Andersen!" and "Drop the indictment!"

"I was not involved in Enron and I bet you could find six people here who were," said Charlotte Williams, a 21-year Andersen employee who, like others, wore a black T-shirt that said "I Am Arthur Andersen." She stayed until the lights went out if necessary.

The company also took full-page advertisements in leading newspapers Wednesday, headlined "We're fighting back." It called the government's action a tragically wrong indictment of our whole firm.

Internal company emails have urged employees to show their anger and pride, and they have responded. Letters, emails and phone calls have been sent to the U.S. Capitol, and rallies similar to Houston's took place in Chicago, New York, Philadelphia and Washington.

The indictment against Andersen is the Justice Department's first related to the collapse of energy trader Enron, which declared bankruptcy in December amid questions about its accounting practices. Andersen had been Enron's auditor for 16 years.

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