

LOUISIANA CONSUMERS

League

31 January 1990

Simpson Garfinkel
Christian Science Monitor
15 1/2 Pleasant Street
Cambridge, MA 02139

Dear Simpson,

Thank you for the opportunity to interview with you last Friday evening regarding our privacy rights investigation project. The enclosed packet of information supplements what I have discussed with you. I anticipate gathering more information soon.

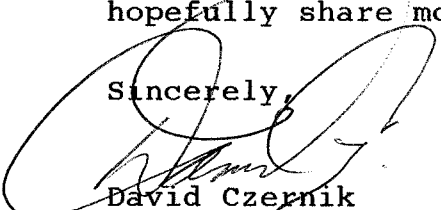
Steve Brooks with the New Orleans *Times Picayune Business Section* is following up on the E.I.S. "victims" list he received from one of our contacts. Steve is progressive-minded reporter that finally convinced his editor that this is worth investigating -- after almost two months of lobbying.

The TRW leaflet info is new since I spoke with you. I'm still looking into the so-called consumer-oriented program. I think they are just making a buck (\$35 to be exact) for information that should be made available to the public on a regular basis and is provided by law. It's a mixed bag, though, since they provide consumer credit reporting rights information in their material.

I plan to write a column about worker privacy rights and safety within the next few months in the Baton Rouge bi-weekly, *Gris Gris*. I have to throw a consumer safety dimension into it to satisfy "The Consumer" column tag, but that won't be too hard to reach.

I look forward to meeting you in my humble office and to hopefully share more information with you next month.

Sincerely,



David Czernik
Executive Director

Employers violate workers' privacy rights

Editor, State-Times:

The right to privacy is often taken for granted. Our "right" to privacy doesn't appear to be a problem until we experience the controlling influence of an employer over an aspect of our personal life. We may not like it, but we need the job so we give in to any manner of employer investigation or "request."

The Louisiana Consumers League is very concerned about how employers are interfering with private lives of their employees. Our preliminary data demonstrates a compelling problem for employees and people seeking jobs.

For example, Shell Oil Company's president, Frank H. Richardson, issued a memo on Sept. 11, 1989, under the noble guise of clarifying their "conflict of interest" policy while, in fact, he spelled out a "loyalty" credo.

Shell's policies force allegiance from their employees and their immediate families by requiring *permission* from immediate supervisors to hold hard assets, such as NASDAQ listed stocks, bonds and mineral rights to property, or even taking a part-time job to supplement household income. On the surface, it may sound fair or justified, except that this "conflict of interest" policy enables Shell to reap the benefits of an employee's holdings with the "right of first refusal." Disclosure to avoid conflicts of interest are necessary. Requiring "permission" from a supervisor crosses the line of propriety or just cause.

More obvious personal preferences are also affected when employees are told they cannot smoke, even at home, if he or she wants to retain his or her job. As long as personal

preferences and activities do not affect job performance, an individual's private endeavors are none of his or her employer's business.

Employers are also taking liberties with prospective and current employees' privacy rights by creating and/or subscribing to computer information databases, such as credit bureau reports tailored for employers and worker-injury reporting from Employee Information Services to effectively blacklist workers with prior work-related injuries.

An employer's near absolute control over our private lives invokes the real fear of "Big Brother" when we are not free to live our private lives as we see fit, or if we lack timely access to computer-generated information that affects the course of our lives and opportunities. State law should be changed to allow due process hiring and firing rights for prospective and current employees. Credit reports are well known to be flawed. The process of purging wrong information is lengthy, readily causing the loss of a job or credit opportunity.

We need assistance from consumers/workers to protect privacy rights by providing us information about intrusive company policies and practices. Contact the LCL Privacy Rights Project at P.O. Box 1029, Baton Rouge, LA 70821, or 504-344-7416. LCL is a statewide, non-profit consumer-supported information and advocacy organization founded in 1968.

David Czernik
343 Riverside Mall, Suite 504
Baton Rouge, LA 70801

LOUISIANA CONSUMERS *League*

TO: POTENTIAL PRIVACY RIGHTS COALITION ACTIVISTS
FM: LCL PRIVACY RIGHTS PROJECT

A recent national poll conducted for the *National Consumers League* strongly suggests stiff but unorganized public opposition to rapidly developing employer job application practices. As public interest activists, we have a *new mission* in response to this threat to privacy.

Consumer, labor, and citizen organizations must band together to oppose the wholesale waiver of privacy rights being required by employers. From the oil fields to grocery stores, school systems to municipalities, workers and consumers share the common threat of losing basic control over information about our lives that is no one else's business.

UNFAIR CREDIT REPORT USAGE: In Shreveport, a pharmacist is denied employment because of her husband's bankruptcy that preceeded their marriage. *Probably illegal, but no income to fight it.*

PRIVACY RIGHTS VIOLATION: In Baton Rouge, a chemical plant worker must submit to randon drug testing without opposition from his union, despite victories against such practices by another union's local nearby.

BLACKLISTING: In New Orleans, an industry supported database keeps records on injured workers filing comp claims in order to prevent future employment with subscribers and supporters of their blacklisting database.

CORPORATE HYPOCRISY: In a memo to Shell Oil Company employees, its president issued "conflict of interest" guidelines that also give Shell a first right of refusal on the mandated disclosure of stocks and mineral rights to property owned by its employees.

The U.S. Congress will soon begin consideration of the Boren bill to allow all employers to enable random drug testing. The state Legislature removed worker protections and reduced compensation by gutting the Workers Comp Act.

Work and marketplace information rights must not be controlled by the keepers and users of data. For \$5, an employer can get a copy of our credit report. For a few dollars more, injury history can be relayed by phone. *Is it accurate? Does an employer have a right to know? By the time we've find out who has the information, especially if data is false, misleading, inaccurate or improperly interpreted, the opportunity for a job or credit is lost.*

Information Agents threaten to expose our background, buying habits, credit and work experiences, and more, to who ever can pay for access to the data collectors' information banks.

LAWS AND REGULATIONS, UNION CONTRACTS AND EMPLOYEE AGREEMENTS, CONSUMER AND WORKER CONTROL OVER INFORMATION COLLECTORS AND USERS ARE NEEDED. ACT TODAY:

Have Your Union or Organization Join the Louisiana Privacy Rights Coalition by Sending a Letter of Support to LCL.

Send \$50 or More to Help LCL Organize Support, Advocate for Public Policies, as well as to create a Workplace and Marketplace Support Network to Oppose Violations of Privacy Rights.

Volunteer Your Staff Time, Mailing List, Some Time at Your Next Membership Meeting and/or Access to Your Publication to Educate Your Members About Fighting for Privacy Rights in Louisiana.

Contact David Czernik in Baton Rouge at 504-344-7416.
Contact Bill Temmink in New Orleans at 504-861-5830.



LCL Privacy Rights Project:

Organizing for a Change to Advance Privacy Rights in the Information Age

Regardless of how many laws are passed, the ultimate power over job security rests with labor contracts, employee committees, collective bargaining and the courts to counteract the force of employers. Privacy rights are the civil rights issue for the 1990s. Before decisive awareness is created and protections are granted, many will suffer job loss, demotion, denied promotion and financial grief.

Database information resources and personnel policies must be challenged and negotiated by employees and job seekers. Corporations got the government off their backs with the cost-benefit analysis sham only to place the burden on employees with corporate policy controls. George Orwell was only a few years off when he wrote 1984; Aldus Huxley's Brave New World also rings true in the Information Age.

The corporate mindset in the United States returned to the "company store" mentality exercised earlier this century. Instead of creating an economy of indebted servitude, companies are manipulating employment with behavior standards and financial interests.

Computer database networks are fearsome products of utility and control. The human element of familiarity and the purchasing power of capital combine to threaten the very fabric of social belief which once preserved individual privacy rights.

Credit reporting agencies dictate our creditworthiness and employability. Injury and compensation claims are recorded by non-profit corporate information database networks. Companies test for drugs, alcohol, honesty, and even an individual's propensity to be injured on the job.

In effect, corporate truth-squads are good venture capital investments because businesses want to know every dot and tittle of an individual's behavior and history, regardless of the integrity of the information database.

An individual's moral propriety should not become the source of control by an employer. External pressure by individual associations with organized resources are the hope for change in the Information Age. Corporate America knows no bounds when it comes to discretionary provision and the use of privacy rights-related information. This issue even exceeds the boundaries of current public policies.

Without the collaborative advocacy of the American labor and consumers, the average worker is at risk to the whimsical and disingenuous policies of employers. Privacy rights guarantees must be added to contract negotiation. The goal must be to achieve a hands-off law to information that reveals the private lives of prospective and current employees.

"Conflict of interest" rhetoric is cutting through the ethical spectrum of the privacy rights debate. While it may be appropriate to disclose private financial interests to prevent impropriety, no company has a right to benefit from private financial interests disclosed by employees. For example, Shell Oil Company issued a memo in September of 1989 to lay out company policy regarding conflict of interest. The problem with the memo, however, is evident when Shell presumes a first right of refusal on private financial interests of their employees.

Workers must react against the trend of employers to learn about and then control the private activities of employees. This should be the vanguard issue of the labor movement in the 1990s.

LOUISIANA CONSUMERS

LCL Privacy Rights Project:

Consequences of the Information Age - BIG BROTHER'S BUSINESS

Ever wondered who wants to know almost anything about YOU? School boards, cities, corporations, convenience stores, and a wide array of employers want to know about YOU! Employers are using credit reporting agencies and setting up their own information database networks.

Does an employer have a right to demand we waive our rights to privacy in the application process? The consequence of refusing to waive rights to privacy is to lose a job opportunity.

The information collected in a database, whether accurate or not, could make us unemployable without knowing why. Or worse, based on inaccurate information, losing the job opportunity while fighting to clear up wrong data entered into our file.

While the computer-generated Information Age makes our lives better informed, the content of and access to information about our lives is not easy to control. Before it's too late, consumers and workers must challenge the collection and use of computer managed information about our private lives.

Garbage In - Garbage Out

Wrong data or information entered inaccurately or mistakenly interpreted takes between 30 and 60 days to remove, and only with the cooperation of the source of the information. Yet, a job opportunity or a negotiated credit purchase can be long-gone over the course of a month or more, leaving an unsavory suspicion in the minds and files of a prospective employer or creditor and further mitigates against gainful employment.

Blacklisting

Workplace injury claim reporting on databases, such as Employee Information Services in Gretna, La., effectively blacklists - by reason of recordkeeping - once-injured and compensated employees from finding gainful employment again. The rationale of EIS's corporate sponsors is to prevent further injury claims. Yet, less than two percent of the 1987 worker comp claimants in Louisiana filed prior claims. This statistic does not reflect the validity of second injury claims. *Employers should focus on workplace safety, not liability claim controls.*

Unjust and Uninformed Data Interpretations

The integrity of the workplace is radically eroded when the prospective employee is presumed a liar, cheat, thief and deadbeat. This negative perception of job seekers is the advertising tact of the Credit Bureau of Baton Rouge to sell its "persona" program, a credit report tailored to employers.

Louisiana's long-term high unemployment rate and vulnerable economy leave a large number of workers with economic scars which are then reported by credit bureaus. An uninformed employer may misinterpret data or let negative credit history criteria sway their decision. Until much higher rates of accuracy are verified for credit reporting agencies, the sale of credit reports as employment criteria does not serve the public interest. The risk to people seeking employment is greater than the employer's desire for thorough background information. Credit reports for employment purposes is almost always unnecessary and inappropriate.

Seeking Jobs With Justice

Worker Privacy Rights requires due process under the law if employer database access and use goes unchecked. Few reasons are required to hire or fire people in Louisiana. Industry-sponsored database management systems relegate the no-cause hire and fire privilege of Louisiana employers to the archaic pages of history. Database-managed hiring and firing begs the challenge of litigation and new laws to preserve worker and public citizen marketplace privacy rights.

LOUISIANA CONSUMERS

LCL Privacy Rights Project:

Public Policies to Restore Privacy Rights in the Information Age

State and federal legislation with strict regulatory oversight is necessary to control several aspects of privacy rights in favor of the consumer, the worker and the average citizen.

- o Consumer privacy is vulnerable to purchasing records kept and perhaps analyzed by credit card companies, sold to research firms, or may be released publicly.

- o Worker privacy is threatened when corporations mandate "health" from their employees by prohibiting smoking, ordering weight loss, and enacting companywide prohibitions for off-work hour activity.

- o Citizen privacy is jeopardized by the broad use of credit reports, medical and workplace injury records, and pre-employment testing procedures that require expansive rights waivers.

- o Religious influence over both workplace and personal moral, ethical or social conduct grows more intrusive when administrators and supervisors attempt to impose the tenants of denominational zealotry.

Without *due process* standards for hiring and firing and public policy controls on access to databases there will be little job marketplace integrity and a swift erosion of personal liberty.

Due Process Rights

While computer-managed data-collection is the way of our information-based economy, the use and distribution of data about the private lives of individuals must be restricted to prevent abusive interpretations of data and the public dissemination of information that can unnecessarily damage personal reputations and opportunities.

- o A law that mirrors the Fair Credit Reporting Act should be enacted by the state to regulate employment and worker injury history database collection. Job seekers need immediate access to the industry-sponsored database management systems that record prior employment, injury reports and the filing of worker compensation claims. Accurate record-keeping should be mandated with provisions to challenge and provide for liability for inaccuracy. The impact of worker compensation injury claim records are open to litigation under the provisions of current worker comp - to protect against discrimination. Employee Information Services, for example, allows for the rehiring opinion of a prior supervisor without substantiating the judgment.

Leisure activities, the legal use of tobacco and alcohol during off-work hours, and sport participation must be safeguarded against the whim of employers under the law. While smoking is a much-debated issue, the social stigma attached should have no bearing on an individual's ability to perform his or her employed duties. Protections are needed to deter overbearing tendencies of anti-smoking employers to control this and any other private activity.

- o Public policy should include statutory provisions that guarantee an employee's right to exercise legal activities in private without coercive influence from employers, such as prohibiting the leverage of employment opportunities to affect private activities.

The specter of illegal drug use is having a dramatic impact upon workplace policies. An employee is generally considered guilty unless a drug test, no matter how tenuous, demonstrates otherwise. Random drug testing is an affront to due process and civil rights to privacy. Employers should have no information nor access to information, including the use of drug tests or polygraph tests, to determine or act upon off-work hour activity.

- o Unless the public safety is at risk and there is just cause to believe an individual endangers the welfare of the public, a law should be enacted to prohibit the administration of drug and/or alcohol use testing. It is not the employer's place to dictate law or morality, except under very limited circumstances.

League is fighting sales of consumer credit files

Payment history shouldn't hurt job chances, they say

By MARY SHARON THOMAS
The Times

Good qualifications should be enough to land a job, not whether a prospective employee has managed to keep up with personal account payments.

That's the focus behind efforts of a South Louisiana organization to halt the release of consumer credit information to employers.

David Czernik, executive director of Louisiana Consumers League, says the sale of information to employers is exploitation.

"It's totally irrelevant for employment," Czernik said. "A big problem for consumers and prospective employees is that the information sometimes contains errors, which can take up to 30 days to straighten out. That can be too late when you've been turned down for a job or credit."

Opposition to the sale of consumer credit information is part of the Louisiana Consumers League's Worker Privacy Rights Project. That project is a statewide research and advocacy program to investigate policies and practices that

threaten worker privacy rights, Czernik said.

Bob Leamon, general manager of the Credit Bureau of Greater Shreveport, said that consumer credit information locally is routinely provided to employers checking into the background of job applicants.

Among the contents of that information, Leamon said, are an individual's name, address, list of employment, charge account balances and any public records that may be on file relative to the individual, including lawsuits and judgments. He said he believes it's fair to release the information.

"We think employers are entitled to background checks of prospective employees," Leamon said. "The information comes right out of the credit reporting files, the same ones used to extend credit."

Leamon said the release of the information is permitted under the Fair Credit Reporting Act, a federal law enacted in the early 1970s. The Shreveport bureau charges employers service fees of \$3.50 for information.

"That pays for the storage and

keeping the information current," Leamon said.

While efforts may be made to keep information correct, mistakes do happen, Czernik said. He said there have been cases at credit bureaus where an individual's information was inserted into an inappropriate file, and where some information is held on file too long.

Leamon said consumers and prospective employees whose information is released are privileged to see what information has been shared.

"They have the opportunity to review everything on file," Leamon said. He said that when reports bearing public information are released, the Shreveport credit bureau notifies the individual by mail. Also, whenever information is requested, an inquiry is posted in the credit record, Leamon said.

"We think this is fair," Leamon said, adding that a majority of employers in the area request the information for background checks. "I have no problem with it as long as it is permitted through the Fair Credit

■ See GROUP, Page 2A

Group seeks an end to credit-report sales

■ Continued from Page 1A

Reporting Act."

Gayle Winfrey, division manager for IDS Financial Services Inc., said her company finds the information beneficial.

"The main advantage is that if we are hiring someone, that person is going to be dealing with someone else's money. If we don't know how

he treats his own money, we wouldn't know how he would handle someone else's," Winfrey said. "We have to be sure our employees have sound judgment and sound characters. This information is usually a good indicator of that."

Charles Dudra, personnel director for Bossier City, said there may be advantages for the information,

particularly for retail companies, but that Bossier City does not request it for prospective employees.

"We don't request that sort of information," Dudra said. "If a company had had a lot of bad experiences with garnishment, it might be advantageous for it to do that. We don't have a problem with garnishment, so we don't."

Hire With Confidence

"Frank was one of my best sales people. I just couldn't believe it when he skipped town over the weekend. Left owing two months' rent, and left us minus four personal computers, three printers and several software programs. We had no idea when we hired him that he was having financial problems."

Unfortunately, the author of this quote is not alone. Sad tales of embezzlement, fraud and theft on the part of employees not only abound, they are on the rise.

As you might expect, the companies and departments most vulnerable are those where employees are handling sensitive information, security, money, stocks, bonds and expensive equipment.

Typically, these might be personnel departments, insurance benefits departments, manufacturing companies, service companies, banks, stockbrokers, investment services and private security companies.

ONE WAY TO AVOID SUCH INCIDENTS IS TO AVOID HIRING SUCH PEOPLE.

Needless to say, a person's tendency to lie, cheat and steal doesn't show up on a resume. And in some cases, it's more than an error of omission. The resume itself may be falsified.

A recent study of resumes for a large firm showed discrepancies in 68 out of 100, with an average of two discrepancies per resume. These ranged from incorrect dates of employment and wrong previous salaries to false educational background. And even the 32 remaining weren't telling the truth—just smaller lies!

The employer is indeed vulnerable. And what's made matters worse is that the courts and legislation have tied employers' hands with consumer rights. Frequent law suits have left employers afraid to share employee information with one another.

So how does an employer avoid hiring the wrong person when it's so difficult to get the right information on a candidate?

The Credit Bureau of Baton Rouge has a very good answer.

PERSONA IS A HIGHLY EFFECTIVE TOOL FOR PRE-EMPLOYMENT SCREENING.

Prevention through investigation is really the only protection an employer has. That's why CBI created Persona, a credit report for employment purposes. It's useful not only for pre-employment, but for other employment decisions such as promotions and transfers as well.

Basically, Persona quickly and easily verifies and corroborates employment application information.

But, of course, Persona also yields an applicant's credit history—information which would not appear on an employment application, but which might have an impact on job performance.

Persona reveals information different from that offered in some investigative reports. That's one of the reasons it is so very effective in the development of relevant questions to the applicant during the interview.

For example, an individual's employment application might list only an address in Chicago while that same person's credit report lists a previous address in New York. An employer's question might then be, "Have you always lived here in Chicago?"

Needless to say, conflicting or additional information from the Persona report would not be your basis for a decision. It would simply offer opportunities for further questions and discussions. Even when Persona returns a "no record" message, it can be a tip. The person might be using a different name. And that may mean you need to investigate further.

PERSONA IS SO EASILY ACCESSIBLE.

Employers can access a job applicant's Persona credit report through teletype, by phone or by written request. Firms now communicating with databases outside their companies can access the CBI system through their own personal computers, a modem and specially developed software.

Of course, to access Persona, proper identification, CBI network membership, and a Credit Bureau of Baton Rouge membership are prerequisites.

PERSONA AND THE LAW.

According to the Fair Credit Reporting Act (FCRA), employers can use credit reports for employment purposes when job-relatedness is established.

HIRE WITH CONFIDENCE.

No one has to remind you of the savings in time and money when you can spot undesirable employees before they're hired—when you can eliminate problems before they happen.

Persona is an ideal preventive tool. It can help confirm or refute application information and be a real aid in assessing those traits you're interested in.

Whether your firm hires two or 2,000 people a month, Persona can provide fast, added protection at minimal cost.

To put Persona to work for you, call us at 1 (800) 272-8458, (504) 926-6161 or write us at P.O. Box 1427, Baton Rouge, LA 70821.



CREDIT BUREAU OF BATON ROUGE

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CBI
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were making phone calls because they were broke and looking for money. And they were always from California, Texas, Florida, and they were two to three percentage points higher than what was being paid in Baton Rouge.

Business Report: Were you tempted?

NORMAN THOMPSON: No sir.

Business Report: How come?

NORMAN THOMPSON: Because I think California is going to fall off into the ocean. No, that did not tempt me. It's nice to think about it, but no. We keep all of our money—believe it or not—local.

GREAT DEREGULATION FALLACY

WILLIE STAATS: I had a lady call me at LSU one time during that period of time. She wanted a list of the CD rates paid by all of the banks, savings and loans and credit unions in the country. I asked her if she wanted me to include Mexico? She didn't.

But I said the banks there pay higher rates. She said "Yes, but they're more risky and that's why they pay higher rates." I said you mean that risk relationship doesn't apply in the United States? She said "No, they're insured."

A lot of people were taking that attitude. And a lot of good clean operators are the ones who had to pay the price. You either compete or you don't.

NEIL WILLIAMS: That's the fallacy in the whole deregulation issue. As long as the safety net is still there in terms of deposit insurance, for most of consumer depositors it's not an issue. Sure, the institution might be risky. But he's very comfortable that the federal government is going to take care of him as long as he's got less than \$100,000 dollars on deposit.

Business Report: So, as long as there's an insurance plan banking is not deregulated.

JOE CHASE: Everybody understood the FSLIC or FDIC to mean some form or some branch of the federal government and the concern was just not there.

But we're now beginning, if I can follow up just a little bit on what Mr. Juban said, to see some relief from that disparity in interest rates and that seemingly unfair competition, if you will.

Business Report: There was some complaint at one time that the federally-owned S&Ls were offering above market rates.

JOE CHASE: As a matter of fact that's correct. I'm going to tell you the reason why. We asked the FSLIC several years ago to begin taking over

By Linda L. Holliday
Attorney-At-Law

Your rights as an employee

Sometimes employees think they are at the whim and will of their employers. However, following is what Louisiana law says regarding your rights as employees.

Louisiana Revised Statute 23:631 states: "Upon the discharge or resignation of any laborer or other employee or any kind whatsoever, it shall be the duty of the person employing such laborer or other employee to pay the amount then due under the terms of employment, whether the employment is by the hour, day, week or month, not later than three days following the date of discharge or resignation..."

Louisiana law further provides that "...any employer who fails or refuses to comply with the provisions of La. R.S. 23:631 shall be liable to the employee either for 90 days wages at the employee's daily rate of pay, or else for full wages from the time the employee's demand of payment is made until the employer shall pay or tender the amount of unpaid wages due to such employee, whichever is the lesser amount of penalty wages..."

Further, reasonable attorney fees shall be allowed the employee by the court in the event a well-founded suit for any unpaid wages whatsoever be filed by the employee after three days shall have elapsed from time of making the first demand following the discharge or resignation.

If the employer and the employee dispute as to the amount due the employee, the employer shall pay the undisputed portion of the amount due. The payment shall be made at the place and in the manner which has been customary during the employment. However, payment may be made via the U.S. mail to the employee provided postage has been prepaid and properly addressed with the employee's current address as shown in the employer's records.

"No person, acting either for himself or as an agent...shall require any of his employees to sign contracts by which the employees shall forfeit their wages if discharged before the contract is completed or if the employees resign their employment before the contract is completed...in all such cases the employees shall be entitled to the wages actually earned up to the time of their discharge or resignation. La. Revised Statute 23:634."

"...No person, acting either for himself or as an agent or otherwise, shall assess any fines against his employees or deduct any sums as fines from their wages..." However, where the employee willfully or negligently damaged goods or broke the property of the employer, the fine shall not exceed the actual damage done by the employee.

Any employer or agent of the employer who violates Louisiana Revised Statute 23:634 or imposes a fine upon the employee, shall be fined not less than

\$25 nor more than \$100, or imprisoned for not less than 30 days nor more than three months.

Any employee may sue her/his employer in the district court where the work was performed by the employee. As one perceptible court put it, "The statute providing unpaid employee recourse against his or her employer is designed to ensure that the employee received promptly his or her last paycheck."

"Employers must present a good faith non-arbitrary defense to avoid liability for unpaid wages."



Unpaid Wages

The courts have determined that an employer's payment of bonuses to an employee is not by day, hour, or week, or month, and therefore, arbitrary penalties and attorney fees do not apply to an employer's failure to pay a bonus within three days of employee's discharge or resignation. Employers must present a "good faith nonarbitrary defense" to avoid liability for the unpaid wages. The fact that an employee quit her or his job abruptly without notice to employer does not justify employer's withholding of payment of that employee's earned wages.

The refusal of an employer to pay wages demanded when the employer could have easily verified whether employee has worked, such as checking with supervisor and co-workers, is not in good faith, and in absence of a bona fide wage dispute, renders the employer liable to employee for penalty wages. An employee is entitled to be compensated for any unused vacation time following her or his resignation, notwithstanding employer's unannounced policy of not compensating departing employees for unused vacation time unless the employee gave adequate notice of resignation.

If there exists a dispute as to the amount due under La. Revised Statute 23:631, the employer shall pay the undisputed portion of the amount due. Failure to pay the undisputed amount shall subject the employer to attorney fees and/or penalties.

A discharged employee's appearance at the place where the employee is usually paid together with request for payment of wages constitute sufficient demand for payment of wages.

Attorney Fees

"...Reasonable attorney fees shall be allowed...the employee to be paid by the employer, in the event, a well-founded suit for any unpaid wages whatsoever be

filed by...the employee after three days have elapsed from time of making the first demand following discharge or resignation." La. Revised Statute 23:632.

A terminated employee is entitled to attorney fees as a consequence of filing a "well-founded" suit for unpaid wages. A judgment of \$53.15 in unpaid wages entitled an award of \$750 for attorney fees. An employee who successfully sued to enforce employer's statutory obligation to pay the employee for unused vacation time is entitled to reasonable attorney fees. The Fifth Circuit Court of Appeal held "...The section allowing recovery of attorney fees is intended to encourage workers to sue for those wages and to motivate attorneys to prosecute those suits..."

Penalties

An employer must present a "good faith nonarbitrary defense" for failing to pay unpaid wages and to avoid penalties. One court stated that an employer's payment of less than agreed salary on several occasions, and insufficient funds to support paychecks, gave credence to employee's claim that failure to pay employee during the last five days before resignation was motivated by bad faith.

If an employer has some equitable justification for nonpayment of wages, penalties will not be imposed. In one federal case (applying to Louisiana law), an employee who failed to notify employer of change of address, and where the employee misaddressed his demand letter and sent it to an inappropriate party, the failure of the employer to timely pay employee the amount of salary indisputable due within three days of discharge was justified and employer was not subject to payment of penalty wages.

Forfeited Wages

A 1985 First Circuit Court of Appeal case provided that an employer's provision that unused vacation was forfeited upon separation of employment does not preclude an employee's action to recover accrued vacation pay, penalties and attorney fees following the termina-

tion of the employment because the law renders contracts forfeiting wages on discharge unlawful.

Fines

If an employer does not unilaterally deduct the amount of a loss caused or allegedly caused by the employee from the employee's wages, but instead obtains an agreement from the employee to pay the loss directly and the amount paid does not exceed the loss then the employer has not "fined" the employee.

Things You Should Do

1. Upon termination or resignation, demand payment of all funds due you. A written demand is (your letter of resignation) far better than an oral request.
2. In your written demand, indicate the most current address where the paycheck may be sent.
3. It is advisable, but not mandatory, that you not return to the place of employment to obtain the check (do not place yourself in a compromising position such that you may be classified as making a "nuisance" or inflicting undue harassment). Remember that the employer has three days to mail the paycheck.
4. Document wages due you including any unpaid vacation time.
5. If the employer has not mailed the paycheck to you within the three-day limit (you may call to verify), you may wish to contact an attorney. However, remember it must be determined by the court that unpaid wages are due you in order that attorney fees will be obtained.
6. The employer's refusal to pay must be in good faith and nonarbitrary.
7. Do NOT agree to allow the employer to reduce your wages by any amounts owed to you. You are entitled to be treated as any other client or customer would be treated, including receiving a billing for your verification.



PLEASE READ THE FOLLOWING CAREFULLY AND SIGN BELOW

I hereby declare that I am not disabled in any way which would prevent me from steadily performing all the work applied for in this application. I further declare that the answers to the questions on the opposite side are correct and that any misstatement of fact or omission should be cause for dismissal or rejection. I authorize the company to contact any of my previous employers as well as any reference source in order to verify the facts and information I have furnished regarding my qualifications and character. I hereby authorize any person(s) having knowledge thereof to provide such information to the company, and I hereby release from liability and agree to hold harmless any person that furnishes such information in good faith. I agree that I will submit to a physical, polygraph, urinalysis, and/or blood or other examination requested by the company at any time prior to or subsequent to my employment. I authorize the company to supply my employment record in whole or part and in confidence to any employer, insurance agency, or other party with a legal and proper interest, and I hereby release the company from any liability and agree to hold harmless any employee of the company who furnishes such information. I further understand that my employment is for no fixed time and may be discontinued with or without cause or notice by myself or the company. I understand that no employee or officer or agent of the company may bind it by oral or printed statements, including handbooks, benefit books, or bulletins, contrary to the above.

Under the provisions of the Fair Credit Reporting Act, 15 U.S.C. Sec. 1681, et seq. notice is hereby given that a consumer report or investigative consumer report may be made which may include information to your credit worthiness, character, general reputation, personal characteristics, and mode of living, which will be used for employment purposes. An investigation into your workers' compensation or industrial accident background may also be conducted.

You are further advised under said Act that any person who procures or causes to be prepared an investigative consumer report on any consumer shall, upon written request made by the consumer within a reasonable period of time after the receipt by him/her of the disclosure required by subsection 1681 (d) shall make a complete and accurate disclosure of the nature and scope of the investigation requested. This disclosure shall be made in writing, mailed or otherwise delivered, to the consumer not later than five days after the date on which the request for such disclosure was received from the consumer or such report was first requested, whichever is the latter.

You are further advised that if you are denied employment, either wholly or partly, because of information contained in a consumer report as that term is defined in the Fair Credit Reporting Act, that a disclosure will be made to you of the name and address of the consumer reporting agency making such report.

I have carefully read the information on this form, realize I had the opportunity to ask questions about it, and understand what it means.

SIGNATURE OF APPLICANT _____

DATE _____

Item 2:

DISCLOSURE OF CONSUMER OR INVESTIGATIVE CONSUMER REPORTS

Under the provisions of the Fair Credit Reporting Act, 15 U.S.C., Sec. 1681, et seq. notice is hereby given that a consumer report or investigative consumer report may be made which may include information pertaining to your credit worthiness, character, general reputation, personal characteristics, and mode of living, which will be used for employment purposes. An investigation into your worker's compensation or industrial accident claims background may also be conducted.

You are further advised under said act that any person who procures or causes to be prepared an investigative consumer report on any consumer shall, upon written request by the consumer within a reasonable period of time after the receipt by him of the disclosure required by subsection 1681 (d), shall make a complete and accurate disclosure of the nature and scope of the investigation requested. This disclosure shall be made in writing, mailed or otherwise delivered, to the consumer five days after the date on which the request for such disclosure was received from the consumer or such report was first requested, whichever is the latter.

You are further advised that if you are denied employment, either wholly or partly, because of information contained in a consumer report as that term is defined in the Fair Credit Reporting Act, that a disclosure will be made to you of the name and address of the consumer reporting agency making such report.

I, the undersigned, have read the above and foregoing notice and understand same. I hereby authorize _____ to investigate and verify facts stated by me on the attached application.

Signed this _____ day of _____, 19____.

NAME: _____

ADDRESS: _____

SOCIAL SECURITY NO.: _____

OUR VIEWS

Privacy, a right without a base?

It was exactly one century ago that the Harvard Law Review published what was to become a widely quoted article by Samuel Warren and future Supreme Court Justice Louis D. Brandeis. It is referred to extensively because of its concept that citizens have private rights which courts must uphold.

Despite the intervening 100 years, even today the theory of privacy rights utilized by the courts goes back to that article. Actually, there is no bedrock law to which the concept of citizens' privacy is anchored. Because of that and because privacy questions constantly accompany controversies, the concept is recognized in principle but not always protected in practice.

The right to die and the right to have an abortion, controversial to this very day, are based on the theory of privacy. So are the rights against wiretapping and police searches, despite the increasingly popular impression that they favor the guilty rather than the innocent.

The relationship between privacy and the news media brings along other rights more clearly defined in the Constitution: freedom of the press and the right to free speech. And privacy rights fall on both sides of questions. Privacy is summoned to protect discriminatory membership policies at private clubs while two states have also made privacy the basis for legalizing possession of small amounts of marijuana.

Justice William O. Douglas is credited or blamed, depending on one's point of view, for making privacy a constitutional right that was never in the Constitution. In 1965 in *Griswold v. Connecticut* Douglas wrote the decision when the Supreme Court overturned a law banning the use of contraceptives. Douglas based that decision on a "penumbra" of privacy "emanating" from six separate constitutional amendments.

For a time after that, sexual privacy became the base of additional Supreme Court decisions. Toward the end of the 1980s, the court's findings indicated some reversal of that trend. In 1986, the court rejected sexual privacy as an argument when it upheld a Georgia law prohibiting sodomy. Last term, drug tests were upheld despite contentions of privacy violations. Also in the last term, the court upheld a California statute denying paternity rights of a biological father who committed adultery with the mother. And a lower court decision in Florida was upheld when it rejected the claim of a rape victim that use of her name was an invasion of privacy.

Opinions are anticipated in the current term on abortion cases from Ohio and Minnesota and on the right to die issue, *Cruzan v. Director, Missouri Health Department*. It appears doubtful that any of them will sculpt any legal form for the rights to privacy.

It may be that the courts are leaving it to the state legislatures and state courts to decide how the concept of privacy develops. The courts dealt with the right to die at length over the past decade in cases such as Karen Ann Quinlan's. Both state legislatures and Congress have been grappling with the privacy issues involved in electronic data collection and dissemination.

That Harvard Law Review article by Warren and Brandeis theorized that the right to live can logically be expanded to the right to enjoy life and to "the right to be let alone." But the "right to be let alone" today is quite different from the one envisioned by the two back in those simpler 1890 times.

Since the questions of abortion rights, the right to die and sexual privacy are such basic ones, it would seem the Supreme Court is in effect abdicating its responsibility by allowing legislatures and lower courts to fashion the right of privacy. Is it not the Supreme Court's duty to decide the fundamental questions that divide us and foment continuing controversy among us?

Court won't stop random drug tests

By JAMES H. RUBIN
Associated Press writer

WASHINGTON — The Supreme Court sent a new signal Monday it will permit widespread, random drug testing for government workers even when public safety is not at stake.

The justices, without comment, refused to interfere with random drug tests for some Justice Department employees and civilian Army drug and alcohol counselors.

The affected individuals said the tests, which could lead to firing or demotion, violate their privacy rights. Government officials said the tests are valid even though they are not designed primarily to protect public safety.

While Monday's action establishes no new national guidelines, it conforms with what the court has done since its first drug-testing rulings nearly a year ago.

In those, the justices upheld drug tests of railroad workers involved in accidents and U.S. Customs Service employees applying for jobs in drug enforcement or jobs requiring the carrying of a gun.

The justices since have turned back challenges to other testing programs for public employees, including random tests for Boston police officers.

In other action, the court:

- Ruled in the case of a convicted white rapist from Illinois that fair-trial rights are not denied when blacks are excluded from serving as jurors. But the 5-4 ruling left unanswered whether such race-based exclusions ever discriminate unlawfully against white defendants.

- Ruled, 6-3, that lawyers in the nation's capital violated antitrust law when they went "on strike" to demand higher pay from the city for representing penniless criminal defendants.

- Agreed to use a North Carolina case to decide whether nuclear industry "whistleblowers" who say they were disciplined for complaining about lax safety may sue under state personal-injury laws.

- Said it will decide in a decade-long Haitian refugee case when the government must pay legal fees to people who sue it successfully. The court will hear a Bush administration appeal aimed at limiting the fees.

- Voted to study a former high school wrestling coach's 15-year-old libel lawsuit against an Ohio newspaper. At issue is how courts are to distinguish between "fact" and "opinion" in libel cases.

Neither of the court's 1989 drug-testing decisions determined the constitutionality of randomly administered tests.

But the justices Monday left undisturbed a ruling by the U.S. Circuit Court of Appeals here allowing random urinalysis for several hundred civilian drug counselors in the Army.

The appeals court said requiring the counselors to submit to the tests is reasonable because counselors who use illicit drugs are bound to be "unsympathetic to their mission" of helping others get away from drugs.

Random testing of thousands of other civilian Army workers who fly and care for planes and helicopters and hold law enforcement jobs was upheld by the appeals court also. Those employees did not appeal.

In a separate case, the appeals court also approved random testing for all Justice Department employees with top security clearance.

The appeals court said the government's interest in protecting top-security information outweighs individual privacy interests. But the appeals court barred random tests for some Justice Department employees, such as federal prosecutors and workers with access to grand jury information.

Bush administration lawyers, who defended random testing for the Army counselors and top-ranking Justice Department employees, did not ask the justices to expand the lower court ruling and approve more widespread testing.

The testing of federal employees stems from a 1986 order issued by then-President Reagan calling for a drug-free federal workplace.

The Supreme Court's 1989 drug-testing rulings and the cases acted on Monday do not bear directly on workers in private employment.

Congress is reviewing proposed legislation that would set federal standards for testing by private businesses. A number of states already have drug-testing laws. Some of them give more privacy protection to workers than the federal proposal.

LOUISIANA CONSUMERS *League*

For Information, Contact:
David Czernik, Executive Director
(504) 344-7416

FOR IMMEDIATE RELEASE

LCL INVESTIGATES WORKER PRIVACY RIGHTS TO KEEP BIG BROTHER AT BAY

Baton Rouge, La. -- The Louisiana Consumers League (LCL) launched the *Worker Privacy Rights Project*, a statewide research and advocacy program to investigate policies and practices which threaten worker privacy rights. The LCL Privacy Project begins forming a coalition with public interest organizations to address the findings from this project.

A \$15,000 grant from the National Consumers League (NCL) enables LCL to gather information and address a national symposium on worker privacy rights in Washington, D.C. in early December. LCL will use the research results to propose worker privacy protection legislation during the next state legislative session.

Simply stated, worker privacy rights mean that an individual's activity and preferences outside of working hours are no one else's business. *So long as personal activity does not directly interfere with prospective or current job performance*, no information should be released to an employer. Nor should an employer have any right to dictate the off-the-job activities of its employees. Privacy issues involve personal financial holdings, sexual preferences, leisure activities, habits, and associations.

"LCL is requesting public input to better determine how employers are attempting to control the private lives of employees and to what extent employer practices and policies interfere with the privacy rights of prospective and current employees," explained David Czernik, LCL executive director. "We want to create avenues for employees to exercise their right to privacy."

"Louisiana's high unemployment rate opens the door for potentially unethical, illegal or unnecessary employer stipulations," said Czernik. "We are asking employees to confidentially contact LCL in Baton Rouge at 344-7416 with information and evidence of employer policies which affect their private lives."

"Information is being made available to employers about a person's credit, life and state of health," said Czernik. "A *Big Brother* type of control exists with negative implications for our private lives and potential for employment."

"The Credit Bureau of Baton Rouge should stop exploiting its consumer credit information by selling it to employers," said Czernik. "The Credit Bureau promotes their product with a suspicion that every prospective employee is a deadbeat or thief."

- MORE -

"Credit information can have errors, causing long-delays for consumers to correct inaccurate information. Now they are staking a person's job opportunity on their potentially flawed information," said Czernik. "The Credit Bureau of Baton Rouge already has a problem when they merged another computer data base with their own with subsequent inaccuracies in individual files."

"As a general rule, our credit histories should never be used for employment purposes," said Czernik. "Just as the industry-sponsored *Employee Information Services, Inc.* (E.I.S.) data bank in Gretna, La. should not be able to rate a worker's prospects for future employment."

E.I.S. is a nonprofit, employer-supported database which lists whether someone has filed for workers' compensation injury claims and the 'yes' or 'no' *opinion* of former supervisory staff regarding the arbitrary rehiring posture towards former employees. President George Bush's former company was among the founders of E.I.S.

"We are awaiting evidence of employers' attempts to force 'loyalty' oaths on their employees which could control personal assets, leisure activities, and lifestyle preferences," explained Czernik, "as suspected in the case of Shell Oil Company."

The Louisiana Consumers League believes that the most serious problems are indicated by extensive waivers of rights required by employers using E.I.S.'s services. Prospective employees are required to sign away their right to privacy during the interview process. "If a job-seeker objects to the blanket waiver, he or she will lose the job opportunity in the interest of protecting personal privacy rights. This process is seriously flawed and requires new laws to protect personal privacy rights."

Consumers with information or questions should contact the Louisiana Consumers League in Baton Rouge at 504-344-7416.

LOUISIANA CONSUMERS *League*

26 January 1990

Letter to the Editor
Morning Advocate
P.O. Box 588
Baton Rouge, LA 70821

To the Editor:

Supreme Court rulings seem to respond to the ideology of current political administrations, as evidenced by the chronicle of Court decisions in your "Privacy" editorial of 25 January. The convenience of the State is often protected by the Court of recent years; privacy rights be damned.

The civilized evolution of Rights are codified under social contract by legislative act, not Constitutional precepts. A "right" conforms to the behavior of the society and is therefore a social truth, conditioned by the period. The current Court upholds the right of intrusive behavior instead of privacy.

While moral privacy rights gain greater attention for their controversy, the terms of the debate are steadily shifted by technological achievement.

Coming to the forefront of the "Privacy Rights" issue is the existence and use of information database management systems. Credit reports are not just for credit purposes anymore. Court judgments and workplace injury claims are used against victims seeking employment after rehabilitation. The database management trend is an outgrowth of the corporate focus on liability cost-control, not creating a safer place to work and product to buy.

Datamakers are the greatest threat to our "right" to privacy because they touch every consumer who pays and debt, files an insurance claim, wins a tort compensation awarded or is injured on the job. The *Fair Credit Reporting Act* is most often used as a veil of protection for Corporate America's right to hold and disseminate information, not as a consumer safeguard.

Is the database information correct? We won't know until it hurts our job or credit opportunity. By the time error corrections are made, the opportunity for a job or credit are lost. Wholesale waivers of liability and access to database information files are required for most job opportunities now. We have to bare our soles before being considered for a job. This is wrong!

The Louisiana Consumers League's *Privacy Rights Project* has uncovered several horror stories in Louisiana that speak to the database challenge to privacy rights. A finance company lists late payments a day or two after an account is late in order to create a negative credit file so that the consumer can only come back to them for funds at high interest rates. A woman is denied a job because of her husband's bankruptcy that occurred before they were married. A worker is unable to find job because he filed a workers compensation claim and is listed on a database that is supported by prospective employers.

We have entered the Information Age of blacklisting! Your editorial is correct, when the Court does not provide legislatures must. So should we all band together to oppose this growth of data collection for the purpose of discrimination.

The *LCL Privacy Rights Project* continues to request information from consumers and workers denied jobs and credit because of private information database networks. For more information, contact us at P.O. Box 1029, Baton Rouge, LA 70821 or call (504) 344-7416.

To answer your final editorial question, we believe it is the state's duty to create and protect the public interest's right to privacy.

Sincerely,

David Czernik
Executive Director

Pre-Approved Enrollment Form

1. Find out what your IRW* credit report says about you. As soon as your CREDITALS® membership is activated, we'll send you a copy of your credit report—the same one many credit grantors review to help make their decisions about you. Even more important, you'll have constant access to your report for the duration of your membership.

3. Shop for the lowest interest rates. As a CREDENTIALS member, you'll complete a Financial Profile that can be entered in an express electronic network, ready for instant transmission to the participating credit grantors of your choice. You'll be able to shop for the best

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will put the clout of America's**

Don't wait for a credit emergency to join—call toll-free now, 1-800-228-3302, to become a member of TRW CREDITALS service.

4615

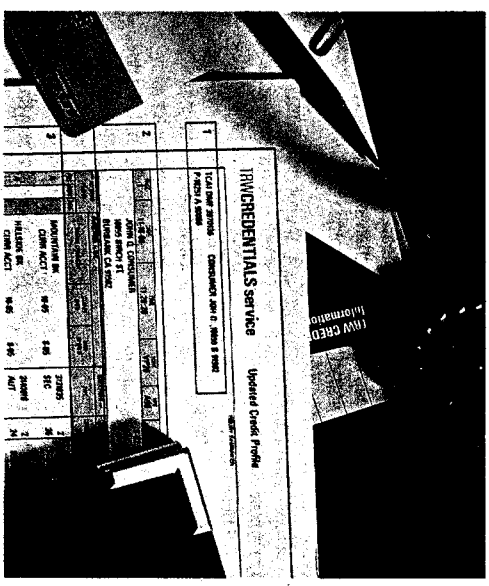
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IMPORTANT CONSUMER CREDIT INFORMATION

As America's largest credit reporting agency, TRW believes consumers should be fully informed about their protections and privileges. Please review and be aware of this brief summary of vital credit information:

- **The Equal Credit Opportunity Act** entitles you to credit consideration without regard to race, color, age, sex, or marital status. While the Act does not guarantee you credit, it ensures that the credit grantor must apply tests of creditworthiness fairly and impartially.
 - **The Truth in Lending Act** says that credit grantors must reveal the annual interest rate you will be paying. Revolving charge accounts must reveal monthly interest rate and minimum monthly payment.
 - **The Federal Fair Credit Reporting Act** guarantees consumer protection regarding your credit bureau file. You can obtain a copy of your credit report from any credit reporting bureau for a reasonable charge, or without charge if you have been denied credit in the past 30 days as a result of that report. The Act also permits consumers to dispute inaccurate information in their credit reports; accurate information, of course, cannot be changed.
 - **The Fair Debt Collection Practices Act** protects you from harassment or threats from a debt collector, and states that debt collection agencies must give you verification of any amount owed.
 - **The Fair Credit Billing Act** says that if you believe a bill is in error, you may notify the creditor in writing within 60 days. The creditor must either correct the bill or send you an explanation within 90 days.
 - **Credit Card/ATM Card Liability.** Be aware of all potential liabilities for lost or stolen credit and ATM/Automatic Teller Machine cards. For credit cards, maximum liability is \$50 per card in fraudulent charges. For ATM cards, amounts may be significantly higher. In some cases, failure to report a stolen ATM card makes you liable for the entire balance.
- TRW wants you to know the facts about your credit. To fully protect consumers, we've created TRW CREDENTIALS service—the first and only information service that lets you keep on top of your credit information. See the reply card for complete details on how to start your membership.

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Frank H. Richardson
President
Chief Executive Officer

September 11, 1989

TO: ALL EMPLOYEES
SUBJECT: CONFLICTS OF INTEREST

Employees' business interests and relationships outside of the Company and its affiliated companies are subjects involving sensitive legal and ethical considerations. Accordingly, continued attention and emphasis must be given to the Company's policy regarding outside employment and interests, financial or other participation in businesses, ownership of mineral and other interests, supplier relations, and business relationships involving relatives of employees. Our conduct in each of these areas is important since it reflects upon corporate credibility and ethics. Should you have a question about any situation that might involve a conflict of interest, you should bring the matter to the attention of your supervisor.

1. Outside Employment and Interests

Employees are expected to act in good faith, with reasonable care, and in the best interest of the Company in the performance of their jobs. In this regard, regular full-time employees should not hold jobs with other employers or engage in an outside business which might make more than minor demands on their time or might adversely impact their performance or loyalty to the Company.

Employees considering outside employment or a business undertaking which might conflict with or be inconsistent with this policy should request the Company's permission by notifying their supervisor in writing.

2. Any Direct or Indirect Financial or Other Participation in Business

Any direct or indirect financial or other participation by an employee in any business or venture, which competes with, is a supplier of goods or services to, or is a customer of

the Company or an affiliated company is not authorized without prior written management approval. This includes any direct or indirect financial or other participation in companies which provide goods or services to suppliers of the Company and/or affiliated companies.

As an exception, an employee may own securities of firms that are suppliers, customers, or competitors provided:

- a) Such securities are traded on one or more of the national securities exchanges or through the National Association of Securities Dealer's Automated Quotation System (NASDAQ)

and

- b) The employee does not participate directly or indirectly in the management of the firm and does not have a job assignment which could create a conflict of interest between the firm and the Company and/or an affiliated company. Given the small size of some NASDAQ listed companies, particular attention should be given to ensuring that purchase of securities listed through NASDAQ does not result in or create the perception of a conflict of interest.

Existing situations involving financial interest in a firm that is a customer, supplier or competitor which are not in compliance with a) above will be permitted to continue provided:

- The financial interests were entered into before September 11, 1989; and
- The requirements of item b) above are satisfied.

3. Ownership of Mineral and Other Interests

The Company is, among other things, engaged in the business of locating and developing deposits of oil, gas, coal, and various other mineral interests. If an employee becomes the owner, directly or indirectly, of an interest in such deposits, or in lands which may contain such deposits or a related venture, the possibility arises that this ownership may result in a conflict with the interests of the Company. Therefore, it is the Company's policy that, except where written permission is given, no employee may own interests in such deposits, lands, or ventures.

Blanket permission is extended and Company consent is not required for the ownership by an employee of any tract of land where the mineral or royalty interest is acquired along with the surface rights provided the ownership of the mineral or royalty interests is not a primary consideration in the acquisition of the land. Employees receiving an offer to purchase or lease a part or all of their mineral or royalty interest shall offer the Company the right of first refusal.

4. Supplier Relations

The Company's business shall be awarded based on best overall value. Considerations include safety, performance, quality, delivery, and competitive pricing. Any relationship with a contractor or supplier shall in no way compromise the ability to transact business on a professional, competitive basis or influence business decisions made by the Company.

5. Business Relationships Involving Relatives

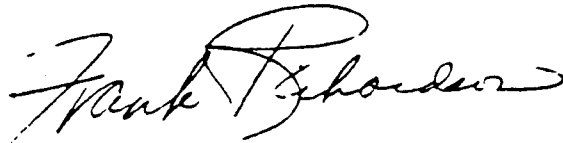
To avoid a potential conflict of interest or the perception of a conflict of interest or favoritism, the Company strongly prefers not to do business with business establishments where employees or their relatives have a financial interest. Accordingly, a business relationship by the Company with a business establishment (such as maintenance contractors, suppliers, marketing outlets, etc.) in which a relative of an employee has any direct or indirect financial interest requires advance management approval. Also, employees should advise the Company if they are aware a relative has a financial interest in a business establishment with which the Company does business or is about to establish a business relationship. The above limitations do not apply if the financial interest involves securities which are traded on one or more of the national securities exchanges or through NASDAQ.

With regard to items 2 and 3 above, an employee will be regarded as owning a beneficial interest in any property owned or transaction entered into by his or her spouse or the minor children of the employee or the spouse.

Failure to adhere to the provisions discussed above not only detracts from the Company's reputation, but may also subject an employee to disciplinary action up to, and including, termination of employment.

These policy requirements are not intended to preclude employees or their relatives from conducting business with Shell where there is not a conflict of interest such as the purchase of gasoline or other products through retail outlets. Rather, they are intended to assist employees and the Company in avoiding genuine conflicts of interest. If you have or are considering involvement in any activity or relationship which may conceivably be in conflict with any of the above provisions, you should first secure management approval, in writing, by explaining the facts and circumstances surrounding the situation. Such approval, if granted, will be conditioned on the truthfulness and completeness of the disclosure of facts and circumstances.

Questions concerning interpretation of the above provisions should be discussed with your supervisor.

A handwritten signature in black ink, appearing to read "Frank T. Rhoades". The signature is fluid and cursive, with a large, stylized initial "F" and "R".