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GOP lawmakers pepper UNC Health Care CEO, question governance structure

UPDATED: A Republican state lawmaker is considering legislation to reconfigure the leadership at the UNC Health Care as the legislature continues exploring whether the hospital system gets an unfair advantage against private entities.

Asheville Rep. Tim Moffitt, a management consultant, suggested at a legislative meeting Thursday that the 20-member board of health care system is too stacked in UNC's favor and doesn't allow for divergent viewpoints. He is planning to ask legislative staff to draft legislation that would curtail the board to a dozen members, the bulk of which are selected by the UNC System's Board of Governors instead of the health care entity.

Board of Governors members are appointed by the legislature, so in essence, the legislature would have more control over the health care system. Asked if this would politicize the board, Moffitt said "that's the whole point."

Moffitt pitched his plan at the House Select Committee on State Assets meeting. The committee is considering whether UNC Health Care should own Rex Hospital -- a partnership opposed by WakeMed, a private nonprofit healthcare company that contends UNC's state subsidy ($18 million) gives it an unfair advantage in the marketplace. WakeMed has made a hostile takeover offer for Rex.

State Rep. Bill Brawley of Matthews said letting a medical school own a hospital is a conflict and mission creep. And a number of Republican lawmakers expressed discomfort with the state competing against a private business. They peppered UNC Health Care CEO Bill Roper with questions during the hearing. Roper made the case that forcing UNC to sell Rex would cost the state money because the partnership helps subsidize the School of Medicine. He also suggested the system's governance was sound.

Roper seemed defiant in his remarks. "I don't come to you apologetic with my tail between my legs," he said. "We have nothing to be embarrassed about."
The lawmakers' philosophical concerns often strayed into personal criticism of Roper. Democrat Rep. Michael Wray asked Roper about his ties to two other corporate boards, which Roper confirmed. Wray later questioned Roper about a News & Observer story that described Roper saying that UNC would "grind WakeMed into the dirt."

But in his response to Wray, Roper denied that he meant to threaten WakeMed. "Let's go subpoena the writer who wrote that article," he said. "I did not say that."

He did indeed make the statement -- as the end of this article confirms. But the statement was not meant as a threat to WakeMed, as Roper said Wray's question suggested.

This article was updated to add more information.

--John Frank and Mandy Locke, staff writers
Former UNC-CH tutor used own money to help player, lawyer says

By Anne Blythe - ablythe@newsobserver.com

The former UNC-Chapel Hill tutor who provided $1,939 to cover a football player’s overdue parking tickets and airline ticket changes provided the money as a loan, was reimbursed by the player and knows of no third parties involved, according to her attorney.

Raleigh lawyer Joseph B. Cheshire V explained the nature of the exchange on Thursday in response to long-running conjecture about the source of the money.

Jennifer Wiley, the former tutor, used her own money for the loan and was reimbursed by the player she considered a friend, Cheshire said.

Wiley has not spoken publicly or with NCAA investigators or UNC-CH administrators about the matter since the investigation began in the summer of 2010.

The payments from the former tutor were cited as part of an NCAA infractions report released this week as “impermissible benefits.”

Since the investigation also focused on players who had received improper benefits from a sports agent, speculation has swirled about whether agents had been involved with the Wiley payments.

Cheshire said Wiley, a 2009 UNC-CH graduate who made the payments in 2010, had money to loan because she worked and had savings.

Cheshire broke the silence this week about Wiley’s role in infractions found within the Tar Heel football program when he answered questions for The News & Observer. On Thursday, he clarified lingering questions about the loan.

Wiley was a tutor at the UNC-CH academic support center from August 2007 to the summer of 2009, when her contract was not renewed because of rumors that she had become “too friendly “ with student-athletes. She also worked as a tutor for the son of Butch Davis, the former Tar Heel football coach fired amid the NCAA infractions investigation.
That investigation turned to Wiley when players being investigated for receiving improper benefits from sports agents mentioned that she had helped them with writing assignments.

According to the NCAA infractions report issued earlier this week, Wiley broke rules by helping players write summary paragraphs for papers, correcting their grammar and composing pages that cited research sources for writing assignments and inserting citations.

She also paid a $150 airline ticket change fee so a player could return from spring break early. She also made a one-time payment of $1,789 to settle a player’s overdue campus parking tickets.

Though Wiley was not an employee of the university when she helped the 11 players with homework or when she paid for the overdue parking tickets for former wide receiver Greg Little, the NCAA considered her actions to be those of a booster.

Under NCAA bylaws, the fact that she worked at the academic support center makes her, according to the infractions report issued this week, “an individual … who is known (or should have been known) by a member of the institution’s executive or athletics administration to … be assisting or have assisted in providing benefits to enrolled student-athletes or their families.”

There are strict rules that govern interactions between boosters and student-athletes.

Wiley, 24, had a simple motivation.

When assisting the players with their homework, Cheshire said, she was trying to help them fulfill dreams of getting college degrees and not so focused on their eligibility to play.

When she loaned the player money, she did so because she thought he was a friend, Cheshire added.
College students from around the country still descend on Key West, Fla., for spring break. But the visits to bars and beaches have been toned down by a fear of unflattering appearances in social media.

**Spring Break Gets Tamer as World Watches Online**

By LIZETTE ALVAREZ

KEY WEST, Fla. — Ah, Spring Break, with its copious debauchery, its spontaneous bouts of breast-baring, Jager bombing and après-binge vomit.

In this era of “Jersey Shore” antics and “Girls Gone Wild,” where bikini tops vanish like unattended wallets, it would seem natural to assume that this generation of college student has outdone the spring break hordes of decades past on the carousel meter.

But today’s spring breakers — at least some of them — say they have been tamed, in part, not by parents or colleges or the fed-up cities they invade, but by the hand-held gizmos they hold dearest and the fear of being betrayed by an unsavory, unsanctioned photo or video popping up on Facebook or YouTube.

Late one March evening at Rick’s Bar on rum-soaked Duval Street, college students alternated Jell-O shots with iPhone shots.
“We are very, very reserved,” said Mia Klein, 22, a University of Connecticut senior from Amityville, N.Y., who stood around a table at Rick’s with friends and cups of beer. “You don’t want to have to defend yourself later, so you don’t do it.” The “it” being get sloppy, word-slurring drunk in an unvetted crowd.

“People do regret it later,” chimed in her friend and sorority sister Kelsey Tynik, who had just finished checking e-mail amid the screaming house music.

To help keep students in check, college Web sites, magazines and blogs post dos and don’ts for spring break. Chief among them is the peril that comes with uninhibited spring break celebrations getting on the Internet and doing long-term damage. “Don’t lower your standards or let your judgment be impeded just because you’re in a different time zone,” one Web site cautioned.

Well known for its tolerance, ocean breezes and open container laws (stroll the streets with beer!), Key West has been a spring break hot spot for two decades. Hard-charging drinkers abound in Key West lore: Ernest Hemingway frequented the original Sloppy Joe’s owned by his friend, Captain Tony, a gun-running gambler and unrepentant ladies man. Jimmy Buffett has made millions riffing on the city’s penchant for boozing and basking.

But spring break here — a city that tends to attract slightly more moneyed students who can afford the relatively steep hotel prices — has been Facebooked into greater respectability. It is a trend that veteran spring breakers here say is true of spring break in general.

Wildness will always prevail in some places and among some students; there are plenty of commemorative examples of excess floating around the Web. In fact, under-age students eager to skirt the 21-and-over drinking law travel out of the country to Cancun, the Bahamas or Punta Cana, in the Dominican Republic, just so they can drink with impunity. A whole slice of the travel industry now hauls spring breakers to foreign destinations, organizes their itineraries and sends representatives in case something goes wrong.

Even bartenders here have noticed a certain taming of the spring break crew.

“They are very prudish,” said Margaret Donnelly, 28, a bartender at Tattoos and Scars who has lived in Key West for four years and remembers her own student antics “They are so afraid everyone is going to take their picture and
put it online. Ten years ago people were doing filthy, filthy things, but it wasn’t posted on Facebook.”

By way of example, Ms. Donnelly said, there are far fewer wet T-shirt contests — a spring break mainstay — in town today. By her count, Tattoos and Scars is the only bar that offers one, and only once a week.

Over at Sloppy Joe’s, another bartender, Ashley McCauley, said the students, who mingle with families and bikers here, are better behaved, although she has no idea why. “They are more polite and they wait their turn,” she said, with a grin. “One in 10 still acts like spring breakers, but it’s definitely calmer than when I was on spring break in 2004.”

Maybe everyone just remembers being wild and crazy back in the day, the same way that nostalgia can tinge their other memories. Or not.

Camrea Sawyer, 22, a senior at Athens Technical College, was heading to the beach with her University of Georgia friends to chill and tan her already sun-crisped body. Keenly aware of the damage a misplaced, mistimed cellphone photo or video can do, she said she is careful.

“At the beach yesterday, I would put my beer can down, out of the picture every time,” Ms. Sawyer said. “I do worry about Facebook. I just know I need a job eventually.”

Asked if she would ever do anything some could view as inappropriate, like join a wet T-shirt contest, she said, “No way. I would never do that because everybody has phones these days.”

Her friend Allen Stein, 26, a recent Auburn University graduate who joined the group for spring break, says he is looking for a job and knows that employers scour the Web for clues to a person’s character.

“That’s the first thing they check,” he said.

With instant infamy a screenshot away, some students take the opposite tack: They get wilder in the hope of getting noticed.

“Some want people to know how wasted they got,” said Sarah Bell, 20, a University of North Florida student, standing at Rick’s with a mob of friends. “They want people to know they had a good time.”

What about Ms. Bell? Does she fit into that category?

“Oh, no,” she recoiled. “I’m friends with my mom on Facebook.”
By KEVIN ROOSE

Wall Street, once a magnet for America’s best and brightest, is facing a recruiting problem.

The industry’s cachet, which was tarnished during the financial disaster, has been further stained by the lingering economic slowdown and a series of highly publicized industry scandals that have drawn critical attention to the big banks.

The most recent public relations storm stemmed from a resignation letter this week on The New York Times Op-Ed page, written by Greg Smith, a former Goldman Sachs executive director. Mr. Smith, who took the bank to task over what he described as a “toxic and destructive” culture at the firm, said his moment of ultimate realization had come while extolling the benefits of a Goldman career to college students.

“I knew it was time to leave when I realized I could no longer look students in the eye and tell them what a great place this was to work,” he wrote.

The controversy has raised fears — perhaps within Goldman itself — that skittish clients and down-in-the-mouth employees could bolt. But financial firms should also worry that the incident might scare off college and business school students, some of whom are looking askance at once-prestigious jobs in finance.
Cory Finley, a recent Yale graduate, applied to work at Bridgewater Associates, a large Connecticut-based hedge fund, during his senior year of college. Mr. Finley, 23, said there was “definitely something tempting” about the structure and prestige of a high-paying finance job. But he decided to follow his dream of becoming a playwright instead.

“It’s something that fulfills me in a deep way,” said Mr. Finley, who has written a play called “The Private Sector” that is set at a hedge fund corporate retreat. “I don’t judge people who do go into finance, but it’s not for me personally.”

College students who were once attracted to prestigious banks like moths to bonfires are increasingly turning to other industries in search of success. Insiders say that harsh testimonials of industry life can deter would-be financiers from even applying for jobs at the most selective firms.

“This is a significant problem for Goldman,” said Adam Zoia, the chief executive of the placement firm Glocap Search, whose clients include many aspiring big-bank employees and hedge fund workers. “Their perch of being the investment bank to go to is definitely at risk.”

One former Goldman analyst recently decided to leave the firm after the rewards of a finance job no longer seemed to outweigh the costs. He is now working at a small technology start-up for less money.

“Perhaps Smith is a catalyst,” said the employee, who spoke on the condition of anonymity because many of his friends still worked at the bank.

“There have always been unhappy people” in finance, he added, but “this is the year people are realizing things are structurally different.”

Smaller paychecks and waves of layoffs are only making the decision easier for some students, who no longer view Wall Street as a fast track to seven-figure salaries. Last year, flagging profits at many financial firms reduced some bankers’ compensation from stratospheric to merely generous. At Morgan Stanley, cash bonuses were capped at $125,000; annual cash payments for some Goldman employees were cut in half.

Adding to the chorus of dissent, students now face criticism on their own campuses. Groups of protestors at Yale and Harvard stood outside bank recruiting sessions last fall, shouting slogans and holding signs with messages like “Take a chance, don’t go into finance.” At Princeton, a group affiliated with the Occupy Wall Street movement interrupted sessions by JPMorgan Chase and Goldman Sachs, urging their fellow students to rebel
against what it said was “the campus culture that whitewashes the crooked dealings of Wall Street as a prestigious career path.”

“Everything from Occupy Wall Street to larger critical discourses of ‘fat cats,’ all of that has had some trickle-down effect” to young people, said Karen Ho, an associate professor of anthropology at the University of Minnesota, who has studied the culture of Wall Street.

The decline in the finance industry’s allure has been accelerated by the explosion of the technology industry. A 2011 survey of 6,700 young professionals by the consulting firm Universum ranked Google, Apple and Facebook as the most coveted workplaces; JPMorgan Chase, the highest-ranking bank on the survey, was 41st.

At this year’s SXSW Interactive conference in Austin, Tex., a panel called “Keeping Kids off the Street: Wall St. vs. Start-ups” was convened to address questions including whether the finance industry was to blame for what organizers called a “failure to nurture a culture of innovation” in New York. Chris Wiggins, an associate professor of applied math at Columbia University who sat on the panel, said he was seeing students shy away from Wall Street and veer toward industries where they could work and profit without bringing their morality under the microscope.

“The claim of investment banking that it serves a social purpose by ‘lubricating capitalism’ has eroded,” Professor Wiggins said. “It’s simply very difficult for young people to believe that they’re serving any social purpose now.”

Even at top colleges and business schools, where Wall Street was once considered hallowed ground, the focus is shifting. In 2008, the last recruiting year before the financial crisis, 28 percent of the employed seniors in Harvard’s graduating class went into finance. Last year, that number fell to 17 percent, as students opted for other fields and investment banks cut their ranks.

Ben Pruden, a second-year student at the McCombs School of Business at the University of Texas at Austin, said on Wednesday that he planned to go into technology, not to Wall Street, after receiving his business degree. He has a job lined up at salesforce.com after graduation, and said that although he knew people working in finance, including his sister, Wall Street held little sway with him.
“I have no interest in working at Goldman,” he said. “I want to build something. I don’t want to be working in an industry that effectively leeches off other industries.”

Mr. Pruden added, “it’s not creative enough for me.”
If you earn a healthy income, then you probably don't qualify for the higher-education tax credits intended to help pay college-tuition bills. However, your college-age child just might.

Both the American Opportunity credit (maximum $2,500 for 2011) and the Lifetime Learning credit (maximum $2,000) help soften the cost of postsecondary education. The American Opportunity credit is available only for the first four years of college, while the Lifetime Learning credit can be used at any time and doesn't have a degree or workload requirement.

Unfortunately, you can't take both credits for the same student in the same year, and many parents earn too much to be eligible for either one. That's because in tax year 2011, the American Opportunity credit is phased out starting at an adjusted gross income, or AGI, of $160,000 for joint filers and $80,000 for unmarried individuals. At AGI levels of $180,000 and $90,000, respectively, the credit is completely phased out. The Lifetime Learning credit is phased out starting at AGI of $102,000 for joint filers and $51,000 for unmarried individuals. At AGI levels of $122,000 and $61,000, respectively, you're completely ineligible. As you might imagine, plenty of parents fall into the phased-out category. But even if you're among them, these valuable credits may not have to go to waste after all.

Here's how: Arrange things so your college-age child can claim one of these credits instead of you. To implement this strategy, you must forgo the dependency exemption deduction for your child ($3,700 for the 2011 tax year). Then the education tax credit becomes the property of your child, whose income is presumably well below the phase-out range.

The now-liberated education credit can cut your college-age child's tax bill by quite a bit. Remember, however, the credit is worthless to your child unless he or she has enough taxable income to actually owe the IRS. This income could be from summer jobs, work-study at school or income and gains from investments held in your child's name. You should only give up the exemption deduction if the credit is worth more to your child than the
exemption deduction is worth to you. (This strategy does not permit your child to claim an exemption on his or her return; the exemption belongs to you whether you choose to use it or not.)