

Ameren's move on Illinois Power is high-charged

Some foes worry about an asbestos surcharge and reduced competition. But despite the case's complexity, it's not in jeopardy of falling apart.

By JACK NAUDI
Of the Post-Dispatch

When Ameren Corp. announced in 2002 that it wanted to buy Cilcorp Inc., an electric and gas utility in Peoria, Ill., virtually no one objected to the state panel responsible for approving the deal.

Two years later, the St. Louis company's \$2.3 billion bid to buy Illinois Power Co. in Decatur, Ill., from Dynege Inc. of Houston isn't going nearly so smoothly before the Illinois Commerce Commission. ICC staffers, businesses, consumer advocates and the Illinois attorney general have filed objections.

No one is suggesting that the deal for Illinois Power will fall apart. Indeed, the Federal Energy Regulatory Commission gave its approval last week. But at the state level, Ameren has not achieved the support that characterized the Cilcorp acquisition.

At the least, Ameren executives are spending far more time answering critics in the Illinois Power case before the ICC than they did in the Cilcorp filing.

The latest case is inherently

more complicated than the previous one, in part because the ICC must assess the impact of the purchase on customers more than two years from now. Ameren can't increase rates until a statewide freeze expires in January 2007.

Illinois Power also has no plants, which means it must purchase power on the wholesale market. Determining how much Ameren might pay for power is a source of vigorous debate in the ICC case.

The breadth of the critics' concerns were outlined in mid-July in several hundred pages of documents filed by ICC staff members. Staffers, who had relatively few concerns over the Cilcorp purchase, concluded that the acquisition of Illinois Power failed to meet several state standards for utility mergers. They had several concerns:

■ Ameren would shift too much of the cost of the Illinois Power transaction onto ratepayers rather than shareholders.

■ Illinois Power would make \$18 million more than allowed by state regulators after it's acquired by Ameren.

See Ameren, E2

Fleishman moves to bolster guidelines for ethics and image

Memo outlines steps to prevent misconduct after allegations of false billings in the firm's LA office.

By ALLYCE BESS
Of the Post-Dispatch

Reeling from allegations that employees in its Los Angeles office submitted false billings for work for city agencies there, public-relations giant Fleishman-Hillard Inc. is taking additional steps to strengthen its ethics guidelines and to repair its image.

In a memo e-mailed to the firm's employees Thursday, Chairman and Chief Executive John Graham outlined key steps the firm would take to prevent ethical misconduct. A copy of the memo was obtained by the Post-Dispatch.

Graham said that the firm will no longer make contributions to political candidates or ballot issues and that it will set up a hot line for employees and clients to anonymously report malfeasance. In addition, employees will be required to sign a statement attesting to the accuracy of their billings.

The memo comes after former Fleishman-Hillard employees told the Los Angeles Times that they were instructed to falsify billings in an effort to bilk Los Angeles city agencies. Los Angeles City Attorney Rocky Delgadillo filed a civil lawsuit against Fleishman-Hillard on July 16, the day after the story broke.

"This is a case of outright fraud," Delgadillo said in a

See Ethics, E8

Fleishman-Hillard's ethics changes

After a scandal surrounding its Los Angeles office, the public-relations firm is taking steps to prevent ethical misconduct. John Graham, the firm's chairman and chief executive, announced the changes last week in a memo e-mailed to Fleishman-Hillard employees. These are some of the key steps:

■ Staff members must sign off on bills and invoices. Managers must sign a statement certifying that they understand the firm's billing policy and that all time being charged to a client is accurate.

■ The firm will operate a telephone line for employees, clients and suppliers who want to report any unethical behavior anonymously.

■ Fleishman-Hillard will no longer make any contributions to political candidates or ballot issues. Employees who wish to make a political contribution must receive approval from management.

■ Exit interviews for all employees will be conducted by a manager at the firm's headquarters in St. Louis.

Source: Fleishman-Hillard internal memo

"I am very, very passionate about this. We have a very simple idea to end world poverty."

Theresa Wilson, founder of the Blessing Basket Project



KEVIN MANNING / POST-DISPATCH

Theresa Wilson unpacks a shipment of baskets from Uganda in the basement of her home in Edwardsville.

Basket makers weave hope into poor nations

St. Louis entrepreneur Theresa Wilson pairs fair-trade principles with faith-based initiatives to provide a living wage for low-income women around the world.

By SHERA DALIN
Of the Post-Dispatch

An entrepreneur from Edwardsville is weaving a network of basket makers from some of the world's poorest countries to create a business that combines spirituality and fair trade.

The Blessing Basket Project grew out of a need that former television news producer Theresa Wilson had to lift women around the world out of poverty. Wilson, 36, originally wanted to work with poor women in the United States. But when she put her idea on an Internet bulletin board, she was deluged with e-mail from around the world from aid workers.

"I am very, very passionate about this. We have a very simple idea to end world poverty," she said.

The idea is to pay women in poor nations like Ghana, Bangladesh and Uganda well above a living wage to weave baskets. The baskets are shipped to St. Louis, where Wilson wholesales them at retailers like Whole Foods Market in Brentwood. Also, she's selling them through church groups, festivals and fund-raisers.

At the Festival of Nations last month in Tower Grove Park, the Blessing Basket Project sold 92 baskets from Bangladesh and Uganda at \$25 to \$35 each. Wilson and her husband, Bryan, a construction worker who helps the company as a volunteer, said they are surprised at the response they get from buyers.

At the Cottleville Rotary Club, members spent \$300 on baskets af-



BLESSING BASKET PROJECT

Anne Kalanzi of the Blessing Basket Project prepayes Ugandan women for the baskets they'll make and ship to the St. Louis area.

ter Wilson addressed the group last week.

"Our motivation isn't profit," she said. "Our No. 1 goal is poverty elimination."

Whole Foods will be selling baskets from Ghana for shoppers to use in the store and on return shopping trips. The grocer is also considering selling them regionally, said Marsha Whelan, a Whole Foods spokeswoman.

"I love that we are doing something unique," she said. "They are really helping on two fronts."

The baskets are helping to provide a livelihood for poor people, and they also are made from renewable mate-

rials such as banana leaves.

Wilson says the baskets have a spiritual function, too. They can hold greeting cards, mementos or other reminders of blessings or answered prayers in the owners' lives. They also can serve as repositories for worries, such as bills that the owners are struggling to pay or the names of loved ones suffering from illnesses.

"It renews your spirit and reminds you that God is taking care of you," Wilson said.

Coupling fair-trade products with faith-based initiatives is common, said Jacqueline DeCarlo, executive director of the information

See Baskets, E2

Harrah's opens 211-room hotel tower

Move crowns casino's \$65 million expansion

By CHRISTOPHER CAREY
Of the Post-Dispatch

Some hotel guests at Harrah's St. Louis Casino will be checking into brand-new rooms Sunday.

Harrah's is opening the new 211-room hotel tower at its casino complex in Maryland Heights, capping a \$65 million expansion and renovation designed to improve the company's competitive position.

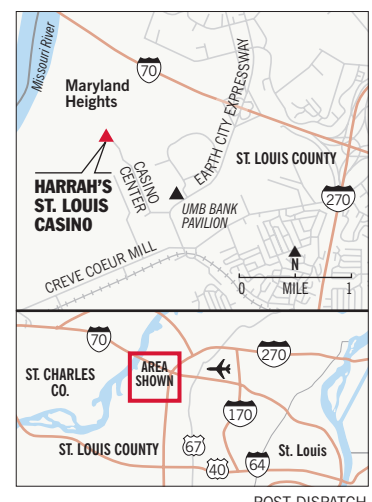
"It's going to put us at the top of the ladder in terms of having a premier property in the St. Louis market," said Bill Keena, senior vice president and general manager of the company's

Missouri operations.

Harrah's ranks second in revenue to Ameristar Casino St. Charles, which is a few minutes away by car, on the opposite side of the Missouri River. Harrah's narrowed the revenue gap in June, and it was pushing to do the same in July.

The expansion increases the company's hotel capacity in Maryland Heights by 72 percent to 502 rooms.

See Harrah's, E8



POST-DISPATCH

ON VACATION



David Nicklaus' column will resume Wednesday.

LAST WEEK'S MARKETS

Compared with the previous week		
Dow Jones industrials	Nasdaq composite	Standard & Poor's 500
+177.49 10,139.71	+38.27 1,887.36	+15.52 1,101.72
Bloomberg St. Louis	30-year bond yield	Gold per ounce
+2.78 396.61	+0.035 5.201%	+50.90 \$391.05

THE WALL STREET JOURNAL SUNDAY | E4

Big issues

Can anyone afford college? We look at the problems that many Americans face trying to pay for higher education.

Tip of the week: How to fight a hospital bill.

Love and money: Who needs summer camp, parents or kids?

Ask Dow Jones: Which papers the IRS wants you to keep and which you can toss.

Barron's insight: What's next for Nextel?

STLtoday.com THIS WEEK'S POLL

Would you pay more for fair-trade products that give workers a higher share of sales?

Vote in our poll online at STLtoday.com/business

Last week's question: **How would you rate the ethics of the company where you work?**

Here's how the 180 votes break down:

55% Great

29% Lousy

16% OK

COMING MONDAY

Power of perks

How does the "Best Small Company to Work for in America" keep its employees happy? Free meals, laundry services and other unique benefits.

clearinghouse Fair Trade Resource Network in Washington.

"Faith-based communities have been a driving force in the fair-trade movement. The Lutherans have a 90-ton (fair-trade coffee purchasing) challenge, which is doubling the amount of coffee their congregations are purchasing this year," DeCarlo said.

Though the fair-trade movement began after World War II as a way to spur microbusinesses, it has grown drastically in the last few years. In 2002, fair-trade purchases in the United States and Canada totaled \$180 million, up 44 percent over the year before, DeCarlo said. Fair-trade food sales nearly doubled, led by coffee.

Fair-trade purchases are made around the globe in developing countries, but much of them are concentrated in Africa, Latin America and India.

Consumers will often pay a bit more for fair-trade goods because they believe in the mission behind the merchandise, said Daniel W. Greening, associate professor of management at the

University of Missouri at Columbia.

"There is a flip side," Greening said. "Economists would look at this as upsetting the supply-and-demand equation. You are subsidizing inefficiency."

But when compared with any other handcrafted or unique item, similar fair-trade products often are priced competitively, DeCarlo said.

The results of fair trade for producers is dramatic, she said.

"It's sometimes really transformative, depending on where the producer started," DeCarlo said.

The 150 weavers that the Blessing Basket Project is working with around Kampala, Uganda, were paid \$12 for a set of three baskets -- four times more than typically offered. The weavers -- mostly female subsistence farmers -- are able to buy milk and meat for their children as well as books and uniforms for school.

The Blessing Basket Project paid the weavers half their wages before they started and the other half when the 600-basket

order was completed. When the women received the money, they fell to their knees in a show of respect; others began singing and several cried with joy, said the project's Ugandan coordinator, Anne Kalanzi of Uganda Biodiversity Network in Kampala.

"It was quite unbelievable," Kalanzi said. "This means a lot in the rural countryside of Uganda."

The story is much the same in Ghana, Bangladesh, Indonesia, Papua New Guinea and India. Fifteen other nations have weavers that want to work with the Blessing Basket Project.

Wilson is working to find more retail outlets for the baskets. She plans to sell them at Tupperware-style house parties, to women's church groups and to nonprofits for fund-raisers.

She also is in discussions with MERS/Missouri Goodwill Industries to have the baskets tagged and processed by the organization's sheltered workshop.

"We are providing jobs overseas for people who had no choice" in

employment, Wilson said. "We also want to provide similar people here with jobs in St. Louis."

Though Wilson recently quit her \$78,000-a-year job at KTVI (Channel 2), she doesn't yet receive a salary from the company. She hopes there will be enough revenue to begin paying her a \$24,000 annual income within a few months.

The company took a major blow in April when Wilson made an error in setting up a 600-basket shipment from Bangladesh. The bill came in at \$10,000, far more than she had anticipated.

"It was financially devastating to the project," she said. "When the bill from UPS came in, I seriously thought of giving up. But it was late at night, and I was looking at the computer and seeing all the faces of the women we are working with.

"I thought, 'Am I going to tell them it's too hard?' I have to keep going," she said.

Wilson has financed the company with \$15,000 from a low-interest credit card and the earnings from her job. "I've hocked

jewelry," she said. "I've done whatever it's taken to get it going."

Ideally, Wilson would like the Blessing Basket Project to be a nonprofit organization. But she doesn't have the money to be able to set it up, she said. She is seeking an attorney to do the work for free.

This is Wilson's second attempt at entrepreneurship. Her previous venture, a religious-themed apparel company called Fishwear, failed after a test market in 2001. As a result, Wilson had to sell her house in Staunton to satisfy outstanding debt and avoid bankruptcy.

"I would not consider it a failure at all. I learned a lot," she said. "It was a very expensive lesson."

Wilson said she recognizes that the Blessing Basket Project is a similar financial risk.

"It is not a project that I chose; it is a project that chose me," she said. "I came from a very poor, rural upbringing. I never want to look back with regret, especially because of money.

"I know today that we are changing people's lives."