



YOUR GUIDE TO TAX SEASON

Overlooked Deductions • Payoffs in the Fine Print • Scenarios That Alter Tax Liability

OUR ANNUAL
ADVICE TODAY IN
BUSINESS

Weather

Today: Mostly sunny.
High 46, Low 30.
Monday: Mostly sunny.
High 43, Low 26.

Details, **C12**

The Washington Post

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\$1.50

The Rise And Fall of A Peanut Empire

Virginia-Based Firm Is At Center of Outbreak

By LYNDSEY LAYTON and NICK MIROFF
Washington Post Staff Writers

Just weeks ago, Stewart Parnell was running a peanut company from a converted garage behind his house outside Lynchburg, Va. His family business supplied ingredients to some of the biggest names on supermarket shelves: Kellogg, Sara Lee, Little Debbie. The federal government was a customer, too, buying his peanuts for poor school children, disaster victims and military troops. He even advised the Department of Agriculture on peanut quality.

Today, Parnell's peanut empire has filed for bankruptcy protection. He is the target of a federal criminal investigation, civil claims are piling up in courthouses around the country and he has been vilified from Georgia peanut fields to Capitol Hill.

He is accused by federal investigators of intentionally sending into the stream of commerce peanut products contaminated with salmonella bacteria. The government has directly linked Parnell's peanuts to nine deaths and 637 cases of salmonella illness in 44 states and Canada, with thousands more illnesses suspected.

The outbreak, which began in September and continues, has triggered the largest food recall in U.S. history. More than 2,000 products made with Parnell's peanuts have been pulled from stores. The entire peanut industry is suffering, as frightened consumers reject peanut products altogether. The cost of the recall to food manufacturers is in the millions and climbing.

"I'd like to ask him, 'How did you think this was going to work out for you?'" Rep. Michael C. Burgess (R-

See PEANUT, Page A4

Despite Feats, President of Bolivia Stirs Fierce Debate

By JOSHUA PARTLOW
Washington Post Foreign Service

ACHACACHI, Bolivia — The barefoot teen in the potato field acknowledged that his family of 12 still had nearly no money.

They live the way they have always lived. They still work the earth with wood-handled tools six days a week to grow their own food. They sell a pig or a sheep occasionally at the market but rarely leave their cluster of mud-brick homes next to the lone dirt road along the marshy shores of Lake Titicaca.

But under President Evo Morales, said 18-year-old Freddy Callisaya Mamani, something feels different about being an Indian in Bolivia.

"Now we can be equal with the others," he said. "Now there should be no more discrimination."

In three years, Morales has performed stunning political feats in this Andean nation, where he rose from being a coca union leader to become Bolivia's first indigenous president. He seized control of oil, mining and telecommunications companies. He cast out the American ambassador, accusing him of helping Morales's political enemies. He won a recall referendum with two-thirds of the vote. Last month, he pushed through a new constitution that could strengthen his powers and give him another five-year term.

But there is a fierce debate in Bolivia about whether the country is better off under Morales, particularly in terms of indigenous issues, the economy and the government's coca-leaf policy.

The president's supporters say he

See BOLIVIA, Page A16

Getting a Grip on Pay

As the economic stimulus bill moved toward passage, legislators, the White House and the financial industry wrestled over what limits to impose on big pay packages. The provisions in the final legislation are much stronger than in previous proposals. Critics say that some banks could rush to repay federal aid and some bankers could flee to other industries. Proponents say the restrictions are long overdue.

THE CONGRESS

Sen. Christopher Dodd

The Connecticut Democrat inserted restrictions that limit executive pay for recipients of federal aid to a base salary and a bonus up to one-third of total compensation. Because most compensation is in the form of bonuses, the restrictions would sharply reduce pay packages.



THE WHITE HOUSE

President Obama

Dodd's restrictions go far beyond the White House plan. Obama limited base pay to \$500,000, but the restrictions were not retroactive, companies could opt out in most cases and could award executives an unlimited amount of restricted stock.



THE EXECUTIVES

Financial Firms

Some worry top talent will leave the industry because of the restrictions. Some banks say they'd like to repay the government, which would free them from the limits, but raising the necessary money could be difficult. At right, top executives of big banks that accepted a federal bailout.



TOP BY JAHN CHIRKENDU — THE WASHINGTON POST; MIDDLE BY BILL O'LEARY — THE WASHINGTON POST; BOTTOM BY REUTERS

More Rigorous Limits Trigger Concerns Over What Banks Might Do To Be Free of Them

By TOMOEI MURAKAMI TSE, BINYAMIN APPELBAUM and LORI MONTGOMERY
Washington Post Staff Writers

Congressional leaders debated the proposals, the banking industry lobbied intensely against them and President Obama's top economic advisers even put out last-minute calls for revisions. But in the end, new rules to significantly curb compensation of the banking industry's top executives and rainmakers were tucked into the 1,073-page stimulus bill now making its way to Obama for his signature.

The pay restrictions, which go much further than limits proposed by the Obama administration 11 days ago, were the product of forceful negotiations, careful diplomacy and give-and-take that lasted into the night Thursday before Congress passed the stimulus package Fri-

day, according to interviews with officials in the banking industry, on the Hill and in the Obama administration.

In better times, such stringent rules — a bonus cap and a ban on golden parachutes — would have had little chance of becoming law. But now, outraged taxpayers called upon to bail out the industry are driving the decades-old debate on extravagant Wall Street paydays.

The chief concern for the Obama administration, White House officials said yesterday, was that the provisions would prompt financial institutions to do whatever they can to pay back the government funds, undermining its efforts to stimulate lending and coax the economy into recovery. Despite those concerns, White House officials last night said Obama would sign the bill Tuesday during a trip to Denver.

See PAX, Page A12

Pennies on the Dollar

Total compensation paid in 2007 to CEOs who testified before Congress compared to what they would make under the new rules (projection listed in *italics*):

1	Lloyd Blankfein GOLDMAN SACHS	\$70.3 million \$800,000
2	Jamie Dimon J.P. MORGAN CHASE	\$30 million \$1.33 million
3	Ronald Logue STATE STREET	\$28.3 million \$1.33 million
4	Robert Kelly BANK OF NY MELLON	\$20.1 million \$1.3 million
5	Kenneth Lewis BANK OF AMERICA	\$16.4 million \$2 million
6	John Stumpf WELLS FARGO	\$12.6 million \$999,000
7	John Mack MORGAN STANLEY	\$1.6 million \$11 million
8	Vikram Pandit CITIGROUP	\$537,000* \$333,000

* NOTE: PANDIT BECAME CEO ON DEC. 11, 2007. SOURCE: COMPANY SEC FILINGS

INSIDE

THE NATION

Burris Revises Story on Senate Seat

Roland Burris admits he was asked three times to raise money for Rod Blagojevich, the impeached Illinois governor who appointed him. **A3**

THE WORLD

Unfinished Business of South Africa

Brutal memories of apartheid-era crimes fuel the reconciliation debate — to dig up the past or let it lie. **A14**

SPORTS

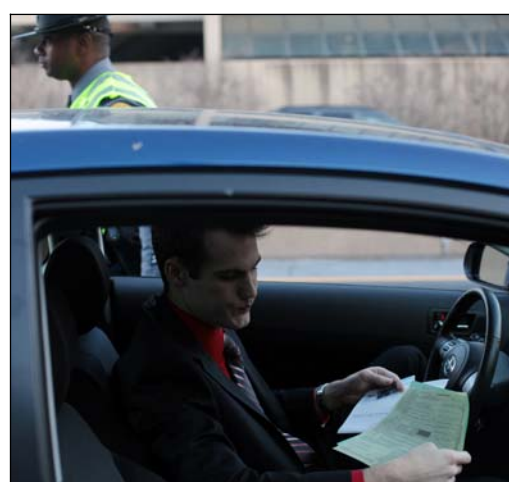
Maryland Sinks Virginia Tech

The Terps make 24 of 26 free throws and never trail in an 83-73 win. **D1**

Georgetown Falls Short in OT

The Hoyas overcome a 16-point deficit but lose at Syracuse, 98-94. **D1**

HOV Cheaters Run the Numbers: 65 MPH vs. \$1,000



Virginia State Trooper Roy Proctor walks back to his cruiser as Keith Yarbrough tosses aside the paperwork for an HOV violation on Interstate 66.

Some Va. Offenders Find the Odds in Their Favor

By ERIC M. WEISS
Washington Post Staff Writer

HOV cheaters have a special, and dark, place in the hearts of area commuters.

As motorists sit in stop-and-go traffic or pick up strangers to meet the minimum number of riders to use the free-flowing HOV lanes, cheaters blithely fly by in the restricted lanes. Alone.

"I run the gantlet and hope I don't get caught," said Thomas Edward James, 44, who commutes to the District from Fairfax County on Interstate 66. He has been ticketed seven times.

"It's a cost-benefit sort of decision that you make every morning," he said. "It's partially laziness. I don't feel like getting off and dealing with all those traffic lights."

Besides, the odds are in his favor. "Let's be honest: I make it most of the time," he said.

The Washington Post, using court records and databases, tracked down the biggest HOV offenders in Virginia, some with as many as 10 violations, and asked them why they ignored the law even after being caught again and again. The answers ranged from guilt-ridden angst to a sense that a quick ride was well worth a roll of the dice. Others lost their driver's licenses, saw their insurance premiums double and received thousands of dollars in tickets.

But there was a common thread throughout the comments that revealed a sense of the daily misery of the Washing-

See CHEATERS, Page A5

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