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Chicken salad spreads its wings
See page 33

Phone scam: Dial '0' for over

Investigators, funded by Wendy's, track down, arrest suspect in strip-search crimes

By Milford Prewitt

PANAMA CITY, FLA. — One of the most bizarre and longest-running con games in foodservice may have ended with the arrest of a prison guard who was charged with duping scores of restaurant managers over the phone into strip-searching their employees.

The Panama City Police Department was holding David Stewart, a 38-year-old corrections officer, under a governor's warrant, under a governor's warrant, until his bid to fight extradition to Mount Washington, Ky., was exhausted.

Stewart, a father of five and a former auxiliary policeman, worked for the Bay County State Facility, a privately run prison operated by the Corrections Corp. of America, better known as the CCA.

Police in Mount Washington — a bedroom community of 13,000 residents seven miles from Louisville — were seeking to interrogate Stewart in connection with an April 9 incident in which a man posing as a cop called a local McDonald's and convinced a manager to strip-

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search a young female cashier. Stewart faces a \$500,000 bond once he is in the custody of Mount Washington authorities.

Investigators used phone records, calling-card numbers and security surveillance cameras in a Wal-Mart outside Panama City where the calling cards had been purchased in

order to link Stewart to the assault.

Mount Washington is only one of nearly 73 police departments in 30 or more states whose Burger Kings, McDonald's, Taco Bells, KFCs, Applebee's, Hooters, Wendy's, Perkins and dozens of other restaurants were victimized by similar ruses. In almost all cases the restaurants were located in small towns.

Buddy Stump, the only detective in the Mount Washington Police Department, said his (See **PHONE**, page 6)



Three-time world champion Takeru Kobayashi, right, won the Nathan's Famous Fourth of July International Hot Dog Eating Contest this year by downing a record 53.5 dogs in 12 minutes.

Eating competitions win favor as marketing tools

Small, regional chains show bite as contests gain in popularity

By Erica Duecy

Eating contests have expanded beyond big-top tents and into primetime television, gaining in popularity as a publicity vehicle for small and regional restaurant chains.

The Nathan's Famous Fourth

of July International Hot Dog Eating Contest is the most visible event; this year it was broadcast live on ESPN. But other chains — such as the Chattanooga, Tenn.-based burger brand Krystal; Santa Ana, Calif.-based Win-

chell's Donuts; and New Orleans-based Acme Oyster House — also are hosting world championship events this year.

Eating competitions have boomed in recent years, according (See **EATING**, page 54)

Big-box theory

Operators contend that they can get more bang for buck at larger locations

By Milford Prewitt

Bigger is said to be better for the several fast-growing chains that are building some of the largest restaurants ever seen in foodservice.

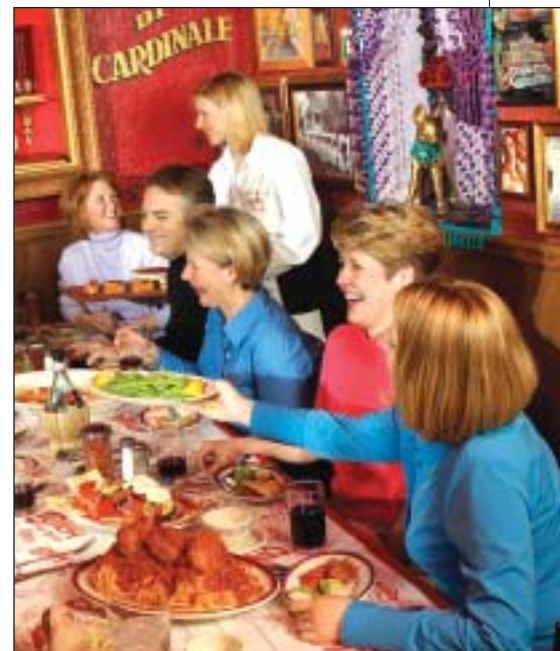
While such chain players as Buca di Beppo, Dave & Buster's, Ark Restaurants and The Cheesecake Factory almost always boast "big-box" restaurants, a new generation of operators not only are joining them but also, in some cases, are out-sizing them.

The newcomers to the genre generally are privately held, well-known, multiunit veterans with crowd-pleasing restaurants in their stables. And they are making a viable business case for the proposition that big restaurants can be as efficient and

popular as more traditionally sized outlets, even though some critics contend that food quality and service in warehouse-like settings are bound to suffer.

Among the contenders pushing the size envelope is the 14-unit B.R. Guest Inc.'s new Italian-accented Vento in Manhattan's Meatpacking District.

(See **BIG-BOX**, page 40)



At the 95-unit Buca di Beppo chain, restaurants typically have a seat count similar to that of a 747 jumbo jet — 250 to 300.

Phone scam: Police nab suspect in strip searches

(Continued from page 1)

department would get first crack at Stewart because it was the first to bring a charge against him. Police have charged Stewart with solicitation of sodomy.

"This case is the most mind-boggling, bizarre thing I have ever heard of in my life," Stump said. "I've only been working on it for 90 days, but this thing has been going on for at least a decade, all over the country.

"But if he was successful 70 times, imagine what the number of attempted cases must be."

In the Mount Washington incident, investigators speculate that the McDonald's unit manager fell for the scam because the caller told him, "If you don't do this, we'll come down there and take care of it."

Reportedly, the manager was suspended, although not charged, but the boyfriend of the victim was charged with assault and sodomy after he allegedly was convinced by Stewart to come to the restaurant and participate in the interrogation.

As the story first was reported in Nation's Restaurant News in March, police nationwide had been looking for a man who posed as a cop or a senior executive of a restaurant company. He had persuaded as many as 73 unit managers of major brands to strip-search young staffers in bogus hunts for stolen valuables.

The perpetrator listened in over the phone while the managers were coaxed into giving detailed descriptions of the hapless victims' underwear and body parts.

The crime had gone largely unreported for years, possibly as far back as 1995, because the victims and their employers were too embarrassed to report it to authorities, once they realized they had been duped. Even when they did report it, most small-town police departments didn't know how to investigate the con, so police tended to file the reports away under "miscellaneous" and the cases died.

Particularly anxious to interrogate Stewart are detectives of the police departments of four Massachusetts towns — West Bridgewater, Abington, Whitman and Wareham — where single Wendy's restaurants were victimized on the same day this year, Feb 19. One

civil lawsuit has come out of those cases against Dublin, Ohio-based Wendy's International Inc.

The four towns pooled their resources and appointed detective sergeant Victor Flaherty of West Bridgewater to lead a task force to find the perpetrator.

pranks were being made through calling cards activated at pay phone booths in Panama City. That helped enable AT&T to link the Mount Washington case to a specific calling-card code number and a specific Wal-Mart store where the card had been purchased.



Wendy's financed the task force's expenses for travel, phone record recalls and overtime.

One of the four Wendy's cases Flaherty is investigating is different from the normal patterns of the crime in that it involved the first known instance of a female manager strip-searching a male.

Flaherty, whose expertise in the strip-search phone scam was credited with aiding the Mount Washington police in making the arrest, said investigators are grateful to Wendy's, Wal-Mart and AT&T for helping them make the arrest.

"This was the result of thousands of man-hours," Flaherty said. "Our budget would never cover those expenses, and phone searches are expensive.

"I went to Panama City, and Wendy's paid for everything, from day one. Wal-Mart's security people were beyond helpful, but the people at AT&T, I mean I know there must have been a time when I was a pain in the butt, but they all worked with us. Our thanks to them can't be expressed stronger."

Although there are numerous elements of the case Flaherty and Stump said they never would be able to discuss in public until after a conviction, they indicated that investigations surrounding phone calls helped lead to Stewart as the prime suspect.

Investigators, including Flaherty, already were aware that most of the recent phone

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— BUDDY STUMP

DETECTIVE, MOUNT WASHINGTON POLICE DEPARTMENT

Flaherty waded through hours of security video footage of calling-card purchases from the Wal-Mart store until he and other investigators linked a customer to cards used in the Wendy's incidents in February and an incident at a Kentucky McDonald's in April.

In one tape a man wearing a Corrections Corp. of America uniform purchased a calling card used in the February assault in Massachusetts, but other security footage identified the same man in civilian clothing purchasing a card used in the April con in Kentucky.

Flaherty first showed prison administrators the tape of the man in civilian clothes, and they immediately recognized him. The clincher occurred when they were shown the other tape of the suspect wearing his uniform. Supervisors were certain that the man was one of theirs.

Flaherty said in total it took just six hours to put a name to the tape.

"This was an extremely expensive investigation, and without Wendy's help I don't think the guy would have been caught," Flaherty said.

With a subpoena Flaherty and others searched the suspect's home and found what was described as strong evidence, mostly calling cards that allegedly were used in other scams.

Armed with the evidence seized from the home, the transcript of a 2.5-hour interrogation and the video tapes, authorities are confident that they have caught their man, Flaherty said.

Stewart was arrested July 1 in connection with the Mount Washington incident.

Chris Manning, director of national security for Wendy's, said he was pleased that the company's efforts led to an arrest. But he admitted that he remains dumbfounded how such an outrageous crime spree

investigator, to look into the strange pattern of sexual assaults going on in their restaurants, he was one of the first people to realize that the phone sex scam was in reality a serial crime.

Jablonski, who had been investigating the matter since before 1999, said he believes some of the cases go back to 1995. He said he hoped that restaurant companies do a better job in training their managers to be more suspicious and to demand and confirm identification from authorities when pressed over the phone to help police.

"Somebody should show up and handle the situation appropriately," he said.

Jablonski, who long ago speculated that the person who ultimately would be caught would have a law enforcement background, said Stewart, as a corrections officer, would know a host of verbal and psychological prompts that could fool unsuspecting people into doing things they normally would not.

"This guy is bossing inmates around all day," he said. "Imagine what he could do to civilians through his phone demeanor."

But Kenneth L. Bryant, a former federal agent who operates Cayman Islands-based Intelsec International, a global security and risk management consultancy that specializes in asset protection, charges that the restaurant industry's senior management and leading trade associations helped allow the crimes to reoccur by not talking about them. Bryant, who also faults a lack of cooperation between police forces, had been looking into the strip search scam for two years on behalf of a major national company that had been victimized several times. He said he learned that few foodservice executives wanted to discuss it, let alone share ideas on how to prevent it.

"Many incidents could have been avoided or prevented if both law enforcement and the restaurant industry had better communication within their respective ranks," he said. "I had approached many restaurant associations and security counsels, and all refused to provide assistance.

"It is clear to me that many restaurant chains failed to, first, identify the problem as it was occurring and, second, communicate the problem to the rest of the organization and its employees."

could have lasted so long.

"There might be a copycat out there, but we feel that the suspect is responsible for nearly all of these cases," Flaherty said. "Sure, I would have loved to have had his body up here, but I'm grateful he is off the street."

So is Craig Annunziata, a Chicago lawyer who is defending nearly 20 fast-food restaurant franchisees from sexual-harassment lawsuits their employees filed against their bosses for strip-searching and fondling them while taking orders from phony cops over the phone.

"I think this is great news," Annunziata said. "I have no doubt they got the right person. All the calls are from Panama City, the area where he lives. I think my clients and the restaurant industry can take great comfort in knowing this criminal has been caught."

After foodservice clients told Dan Jablonski, an ex-FBI agent and Wichita, Kan.-based private