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The Charlotte Observer

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E-Verify ID checks gaining in popularity

More employers turning to the federal program they hope will help them avoid hiring illegal immigrants.

BY FRANCO ORDOÑEZ
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A worn red, white and blue sign taped to the front door of ResourceMFG warns potential hires that the recruiter uses a federal program to root out illegal immigrants.

Branch manager Tamara Mantooth put the sign up about two months ago when she noticed that nearly half the company's applicants presented questionable IDs. "It was interesting," she said. "After we put the sign up, some people would come up to the door, look at the sign and then turn away."

Her company is one of a growing number in North Carolina and across the country enrolling in E-Verify, a once-obscure program run by the Department of Homeland Security and the Social Security Administration.

Critics say it's a flawed and expensive program that doesn't deter illegal immigration.

But as the Obama administration warns that it will focus on employers who knowingly hire illegal

SEE E-VERIFY, 10A

Banks could lose more than stress tests show

Risks to BofA and other top lenders come from exotic bets on insurance-like derivative investments.

BY KEVIN G. HALL
AND GREG GORDON
McClatchy Newspapers

WASHINGTON — Largely unnoticed in last week's government report on the condition of the nation's biggest banks was the disclosure that five of them, topped by Bank of America, could lose \$99 billion from the kinds

of exotic bets that sank the global economy.

Even that figure, however, could prove optimistic if the economy hits new depths, a McClatchy Newspapers analysis has found.

Moreover, the regulators' recent "stress tests" on bank holding companies didn't fully measure the cash squeeze those institutions could face if souring conditions forced them to post tens of billions in additional collateral on some of their insurance-like bets, known as derivatives.

The banks' financial reports to reg-

ulators for the quarter ending March 31 also tell a potentially ominous story about their holdings of derivatives — instruments whose value is tied to an underlying asset, such as a pool of subprime mortgages. Seventeen of the 19 largest banks reported that, in the event of an economic catastrophe, they'd face combined derivatives losses exceeding \$568 billion.

SEE BANKS, 10A

BOFA CUTS CHINA STAKE

Bank seeks to raise capital by selling shares in China Construction Bank. 7A

Two views

Some critics of the government's stress tests on major banks say the tests did not sufficiently address the banks' exposure to derivatives.

■ Banks' estimates

Broad potential losses from trading in derivatives, as listed in the banks' first quarter reports to regulators.

■ Government estimates

Likely potential losses from trading (mostly) in derivatives under the adverse case scenario used in the stress tests.

Bank of America	\$79.0	\$24.1	In billions
Citigroup	\$112.8	\$22.4	
Goldman Sachs	\$118.8	\$17.4	
JPMorgan Chase	\$16.7	\$212.3	

Source: Federal Reserve, McClatchy Washington Bureau
MCT

Owners seek credit for green space



JEFF WILLHELM - jwillhelm@charlotteobserver.com

The large backyard at Ron and Helen Leigh's Mountain Island Lake home is mostly natural, with huge boulders and trees. But they also have a big driveway, which could cost them when they are assessed for stormwater runoff.

Residents complain that it's unfair the natural areas on their property don't earn discount on stormwater fee.

BY CHRISTOPHER D. KIRKPATRICK
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Ron Leigh's concrete driveway winds down to a homemade preserve of sorts, where fallen trees decay naturally and fertilizer rarely touches the ground.

The makeup of his Mountain Island Lake property speaks to a running debate over local stormwater fees meant to battle flooding. Homeowners pay the fees according to square footage of impervious surfaces on their property, such as buildings or driveways. Having more impervious surfaces in a community increases the chances of flooding during heavy rains.

But Leigh and others say they should get a discount for the green spaces they maintain that help reduce that risk.

"It's just unfair, and then you're paying higher taxes on the house because you own more property," said Leigh, who with his wife relies on Social Security for income. "We try to be frugal. We try to be careful with the environment."

Mecklenburg Storm Water Services has proposed increasing the fee for most homeowners next fiscal year and shifting more of the burden to the largest homes. The smallest homes would see a slight decrease.

Charlotte homeowners with more than 5,000 square feet of impervious surfaces would see their annual fee increase from about \$96 to more than \$200.

SEE STORMWATER, 14A

STATE INVESTIGATING PATIENT'S DEATH

Ninety-one-year-old with Alzheimer's is found dead after wandering away from a Mooresville assisted living facility. 1B

N.C. man shot at Iraq clinic

An officer from Wilmington was among those who died when a fellow soldier opened fire. 5A

'09 seniors of the year

Meet Rachel Myrick, an All-Star Scholar who's planning a life of global service. 1B



TODAY'S MUST-READ

Attention, new graduates: Stop Tweeting, and pay attention. Columnist Mark Washburn has some advice. 1B

77° 58°

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Drug price disparity galls Charlotte couple

FTC to hear about Medicare payments to CVS today. Small rivals say difference is unfair. Seniors say it eats up benefits.

BY KAREN GARLOCH
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Charlotte retirees Max and Jan Hauser and their pharmacist, Jesse Pike, will speak before Federal Trade Commission officials in Washington today to complain about prescription drug charges by one of the nation's largest drugstore chains.

Their complaint isn't only about competition between pharmacies. It's about how much senior citizens could end up paying for prescription drugs under the confusing and complex Medicare Part D program.

The Hausers, both over 65 and on

Medicare, used to get their medicines from Pike's Pharmacy, an independent drugstore in east Charlotte.

In January, they switched their prescription drug plan, and in March they started going to CVS at the suggestion of their new insurer.

They soon noticed that the new insurance plan, which is owned by CVS, pays the chain drugstore more for drugs than it paid Pike's.

The disparity is not only unfair to Pike's, the Hausers say. It will also end up costing millions of senior citizens more because it will put them in the

SEE CVS COSTS, 6A



JOHN D. SIMMONS - jsimmons@charlotteobserver.com

Max and Jan Hauser used to get their drugs at Pike's Pharmacy. Then their new insurer suggested they go to CVS, which they say gets paid far more for the same drugs.

RECESSION HITS SOCIAL SECURITY, MEDICARE

The nation's bad economy has pushed benefits programs years closer to insolvency, government forecast warns. 3A



DON'T MISS IT WHEN O.A.R. KICKS OFF THE NASCAR SPRINT ALL-STAR WEEK ON WEDNESDAY, MAY 13TH.



SEE THE CALENDAR OF EVENTS AND DETAILS AT NASCAR.COM/ALLSTAR.

Wednesday, May 13

NASCAR Rev'd Up featuring O.A.R. Uptown Charlotte at 3rd and Mint Special Guest - Simplified 4:00 - 10:00 p.m.

Thursday, May 14

NASCAR Sprint Pit Crew Challenge Time Warner Cable Arena 7:00 p.m. Live at the Arena 9:00 p.m. on SPEED

Friday, May 15

NASCAR Day NASCAR Sprint All-Star Race Qualifying Lowe's Motor Speedway 5:00 p.m. on SPEED

Friday, May 15

NASCAR Camping World Truck Series Race Lowe's Motor Speedway 7:30 p.m. on SPEED

Saturday, May 16

NASCAR Sprint All-Star Race Lowe's Motor Speedway 7:00 p.m. on SPEED