

Corporate Strategy by Richard Freeman

Making out like bandits

Hot tips and low blows rock Wall Street Journal; is it really just a "queering house"?

Each morning, one of the flashiest stars in the *Wall Street Journal's* stable of young reporters would freshen up: hair just right, stockings on straight, make-up smooth. The only catch is that this was the men's room. R. Foster Winans was set for a day's work.

For a number of years, R. Foster Winans was one of two principal writers for one of the most widely read—and reputedly penetrating—columns in the businessman's "newspaper of record," the "Heard on the Street Column" of the *Wall Street Journal*. The column offered hot tips on which stocks would peak and which would go limp.

But like much else in the cosmetic *Journal*, the articles were cleverly constructed con jobs. You see, as a Securities and Exchange Commission investigation is now uncovering, Mr. Foster Winans was part of a homosexual ring, operating out of the editorial office of the *Journal*, who was writing columns to make money for his lovers. Winans's friends were making out like bandits.

In light of the recent disclosures, the name of the column might be changed to "Felt on the Street." Winans was hired despite a tarnished past at the *Trentonian*, a New Jersey daily tabloid, where, the *Trentonian* city editor has charged, Winans stole and sold the research of his colleagues to other rival newspapers, unbeknownst to them.

In the go-go world of the *Journal* no questions were asked. The editors of the *Journal* were certainly aware that Winans's columns at the *Journal*

were anything but impeccable. On April 14, 1983, the then New York bureau editor of the *Journal*, Stewart Pinkerton wrote a letter reprimanding Winans for no less than four factual errors that Winans had written, three of which required printed retractions.

But within six months, all that was forgotten and Winans got a \$35 per week raise to raise his salary to the lofty heights of more than \$600 per week.

Winans's real money, at least for his lovers, came from his passing advance notice of columns he would write the next day to his homosexual network so that they could take positions on the stocks Winans would write about in his column, and make a good deal of money.

The Securities and Exchange Commission, in its current investigations, happens to think this is illegal.

Prime beneficiary of Winans' *Journal* practice was David Carpenter, Winans's lover. Winans flaunts on his finger a gold ring given to him out of Carpenter's earnings. Winans got the *Journal* to hire Carpenter in February 1982.

Carpenter owned substantial stock in a Scottsdale, Arizona company called American Surgery Centers. On Jan. 13, the *Journal's* "Heard on the Street" column, written by Winans, ran a highly favorable promotional review of American Surgery Centers.

Carpenter told a *Wall Street Journal* editor that he had stock in American Surgery Centers. But twice more, on March 23, 1983 and Aug. 26, 1983, the *Journal* allowed Winans to write "puff pieces" on American Surgery

Centers refuting reports that had adversely affected the stock's price. NBC news has reported that Carpenter may have made a substantial sum from these and subsequent columns.

Meanwhile, a group of New York stockbrokers were being stroked by an invisible hand.

There was a sort of rear guard whom Winans helped get over the financial hump. First, there was Peter Brant, a hot-shot, high-living stockbroker for Kidder Peabody, who owns a home in a swank suburb of New York, as well as land in Florida. Brant was the source of information for some of Winans's *Journal* columns, on which he then made money on the stocks mentioned. David C. Clark, a New York lawyer, made money shorting stock mentioned in Winans's columns. Scott Muller, a broker at Bear Stearns, also seems to have made out well from different *Journal* columns.

Winans's behavior may not be exceptional at the *Journal*; the only disgrace he is bringing on that paper's reputation is that he got caught. Who doesn't read the *Journal* to find out which stocks it is pumping today, or which hatchet job it is running against a politician, or which of Kissinger's favorite ideas it is shamelessly peddling.

Clarifying his personal relationship to the former Secretary of State, *Journal* editor Robert Bartley once told a reporter: "I don't p-ss on Henry, and he doesn't p-ss on me."

A stonewalling managing editor of the *Journal*, Norman Pearlstine, at the fag-end of his patience snapped at the press, "We have no reason to believe that any other staff member is involved. We will continue to co-operate fully with the SEC."

But the astute reader must ask himself, "is this activity really exceptional?" Not at all. The *Journal* is used to going down the line for the East Coast liberal establishment.