The Road to ruin

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HAMLET -- Margaret Banks never met Emmett Roe, but the two had a deal.

Banks worked a tedious packing-room job at Imperial Food Products Inc., Roe's chicken-processing plant in Hamlet. She got $5 an hour -- a wage that kept her off unemployment lines, but offered little else. Roe got to run his plant with some of the cheapest labor in the nation.

But the deal went bad on the morning of Sept. 3: A fire filled the Imperial plant with smoke, sending 25 people -- including Banks, a single mother of two -- to a hellish death.

Low-wage, low-skill laborers like Banks were part of the opportunity Hamlet offered Imperial when the company came to town in late 1980.

Roe and his family wanted to build a network of chicken-processing plants. They had started in Moosic, Pa., near Scranton, with the first Imperial Food Products operation. But organized labor and regulators aggravated Roe in Pennsylvania. The South -- with few unions and a reputation for industry-friendly government -- was Roe's kind of place.

Imperial was a small-time operation next to poultry big shots like Tyson Foods Inc., but Roe's determination to compete was clear. In the 1980s, his company started new processing operations, including a plant near Atlanta and another near Birmingham, Ala. And Hamlet -- not Moosic -- became the model for Roe's new operations.

As in Hamlet, the other two Southern plants operated anonymously in out-of-the-way industrial districts. Family members ran the plants, giving Roe a tight leash on his growing business.

For a while, the plan worked. But Roe's ambition eventually became his downfall.

Roe borrowed heavily to build his empire, leaving little breathing room for a downturn in business. In 1989, the Alabama plant lost its biggest customers and was forced into bankruptcy, and by the time of the Hamlet plant fire, Imperial was headed for collapse.

After the fire, Roe's business fell apart. But others are paying a price much more dear.

Flora Ann Banks of Laurinburg, Margaret's mother, buried her 24-year-old daughter after the tragedy. Now she must raise her orphaned grandchildren, Michael Terrell Banks, 6, and Martika Jacquetta McCollum, 2.

Martika was too young to understand, but Banks told Michael of his mother's death the day of the fire.

"Your mother's not coming back," she recalled telling him. "The good Lord took her home. She's laid to rest."

"I know," the boy replied. "Everybody knows."

Empire building

Born 63 years ago in Troy, N.Y., Emmett J. Roe has spent most of his working life in the food industry. Throughout his career, he has avoided publicity and scrutiny of himself and his company.

Since the fire Sept. 3, Roe has refused repeated requests for interviews. So have his son Brad, 27, and other family members and company managers. The story of the Roes' and Imperial's lives has been gleaned from public documents and interviews with friends and business acquaintances.

Roe's first executive position was vice president of Empire Frozen Foods Inc., which had headquarters in his hometown of Troy.

From 1965 to 1970, he ran Empire's chicken-processing plant in Moosic, the operation he later would buy. The plant was profitable, and Roe didn't mind rolling up his sleeves on occasion to work alongside his employees.
"He worked with us on the floor," recalled Betty Shotwell, who worked at Empire from 1965 to 1970, then returned in 1983 for another five years. "He boned and packed (chicken). He worked with us as if he was another worker."

Each September, Roe threw a clambake for his employees at a picnic area away from the plant. The event was a reprieve from the tedium of stripping, breading and frying chicken.

People familiar with Roe say he left Empire in 1970 to go into the restaurant business, but it wasn't long until he returned to Moosic and chicken processing.

In 1973, Roe went back to the Pennsylvania plant to become its owner. Using personal assets as collateral, he leased the plant for five years and then bought it for $200,000, changing its name to Imperial Food Products Inc.

The company started small, with about 40 employees. Roe tapped industry contacts he had developed over the years, landing contracts to supply chicken breasts and nuggets to grocery stores and food suppliers.

But between the time Roe left and the time he returned to buy the plant, the Moosic workers had voted in a union, the United Food and Commercial Workers. The rapport he had enjoyed with the employees disappeared.

"He did not like unions," Shotwell said. "He just changed. He was more strict. He was very much down to business. He knew the union would be riding herd on him. This is what I think really changed him."

During Roe's three-year absence, the September clambakes had stopped. As owner, he didn't revive the tradition. And he regularly vented his temper at his workers.

"He was a screamer," Shotwell recalled in a recent interview in Moosic. "His finger could be in your face for an hour screaming at you."

It was in Moosic that Roe began including family members in his business, a practice that he would continue in running his privately held company. His teenage son Brad -- who would later become operations manager of the Hamlet plant -- spent summers and afternoons on the production line.

Among some Moosic workers, Brad Roe developed a reputation much like his father's.

"He was the kind of guy you could punch in the mouth every morning and it wouldn't bother you," said Ralph Caracci, a former business representative for the Food and Commercial Workers local.

Emmett Roe's wife, Joan, worked as the company secretary. Daughter Kelly was vice president for marketing and sales. Sons Emmett Jr. and Brad each ran plants, carrying the title of vice president. Joan's nephew, Edward Woncik, served as Moosic plant manager, and later headed the Alabama plant.

People who knew Roe said the tactic allowed him to keep tight control over his scattered operations: Family ties, Roe thought, would ensure the loyalty of his top managers.

Heading for Hamlet

When he returned to Moosic in 1973, Emmett Roe bought into the food business of the future.

At the time, what was called "further-processed" chicken -- such as Imperial's breaded chicken nuggets and tenders -- accounted for only 7 percent of all chicken products sold. But by 1990, that figure had swelled to 26 percent as consumers gobbled up McNuggets, Hot Wings and a host of other new fast foods.

Beef consumption slumped, but the chicken industry -- clustered in the Southeast -- soared.

Like other small producers, Roe's business depended on a handful of major buyers. One of Imperial's biggest was Shoney's Inc., a Nashville, Tenn., restaurant chain that bought more than half its breaded tenders and skinless, boneless breasts from Roe's plants.

"They were a very, very important supplier," said David Dobbs, Shoney's vice president in charge of purchasing.

The more chicken that people ate, the more that had to be processed -- and the more workers that were needed to process it. But the work was unpleasant at best.

Employees at the Hamlet plant complained of hands and wrists numbed from constant handling of chicken parts. Workers in the fryer room labored near an inferno of cooking oil. And in the icy packing room, some women spent their days hefting boxes weighing up to 40 pounds.

Jobs such as those at Imperial have helped make the
poultry-processing industry one of the nation's most hazardous. In North Carolina, it is the most dangerous, according to the most recent data on lost workdays from the U.S. Department of Labor. North Carolina had 30 poultry-processing plants in 1989, more than all but four other states.

Other than avoiding potential hazards, few skills are needed to work in plants like Roe's, so people taking jobs in the industry can command only the lowest of factory wages -- unless, like the Moosic workers, they belong to a union.

"That is one of the dirtiest jobs there is," said David Segars, secretary of Food and Commercial Workers Local 442 in Georgia.

"The days of legal slavery are over, but I'm not sure it's over in regard to the poultry industry," he said. "Those people put up with more mental abuse than any other industry."

Roe looked south, where his biggest suppliers operated. A trade magazine advertisement caught his eye: Mello-Buttercup, an ice cream manufacturer based in Wilson, wanted to sell its

33,000-square-foot Hamlet plant.

Roe bought the plant for $137,000 in September 1980, according to Richmond County tax records. But the building needed a lot of work before it was ready for Imperial. Ice cream equipment had to be ripped out and replaced with 26-foot fryers and conveyor belts. The plant's original design was drastically altered.

"They changed it so much I barely recognized it," said Richard Barnes, Mello-Buttercup's president. "I guess that's not surprising. He cooked stuff, and we froze it."

In Hamlet, Roe found a favorable business climate: Factory wages were low, and there was no food workers' union to force them upward. Cheap labor was easy to find because Richmond County's unemployment rate was among the highest in the state at 9.8 percent.

Roe continued to run his Moosic plant until 1989. By the time he closed it, poultry workers in Pennsylvania were being paid 17 percent more than their counterparts in North Carolina -- an average of $322 per week, compared with $276.

As Roe expanded in Hamlet, he turned the plant over to managers who were part of his family. His son-in-law, Neal Hair, became the manager and lived in Laurinburg. A few years later, Brad Roe moved from Moosic to become operations manager.

Imperial opened in Hamlet in 1981, but news of its arrival traveled slowly. In a town where secrets are hard to keep, Roe and Imperial managed to begin operations with barely a whisper among local leaders.

Tom Smart, a Hamlet businessman who was mayor at the time, heard about the business from a longtime friend, R.L. Altman, who said he had been doing construction work for a new company in town -- Imperial.

"They did not ask for publicity," Smart said. "They came in very quietly."

The company never registered to do business in the state, as required by the Secretary of State's Office. It never put a sign on its building in Hamlet.

When word finally spread that a new employer had moved in, some Hamlet business leaders stopped by to ask Roe if he wanted to help with fund-raising drives and other civic affairs.

Hamlet's business establishment learned quickly that Roe wanted just one thing -- to be left alone.

When the Richmond County United Way asked permission to solicit contributions from Imperial workers, the company said no. Even other business people got a cool reception.

Donald V. McClain, executive director of the Chamber of Commerce, recalled the day he visited the plant and asked Roe if Imperial would join the organization.

"It was like I was trying to get him to join the union," he said. "That's the type of response I got."

'Contempt for OSHA'

Back at the Moosic plant, Roe began tangling with government inspectors, as well as with his unionized workers.

In August 1985, Helene Kosierowski suffered second- and third-degree burns after a line carrying scalding cooking oil broke loose, spraying her back and legs.
Prompted by a television report about the accident, an Occupational Safety and Health Administration inspector visited the plant. Roe wouldn't let him in.

Three months later, the inspector returned with a search warrant and found several relatively minor safety violations, such as equipment without properly installed protective devices. Imperial paid an $800 fine.

The incident encouraged workers to complain. In 1987, an employee told OSHA of unsafe working conditions.

During a regular survey of Imperial's medical records, OSHA officials found that the Moosic workers' lost-workday injury rate was nearly four times the national average for manufacturing workers. Inspectors wanted to examine the plant again.

This time, Roe was even less receptive. Again, he refused to let an inspector inside the plant. When the inspector returned the next month with another search warrant, Roe erupted.

He didn't want his employees bothered while they were working, he told the inspector. And he didn't want a union representative pulled off the production line to accompany the inspector on his tour -- even though federal law required it.

When he relented and called for the union representative over the company's failing public-address system, Roe spat out a string of obscenities.

In a February 1987 report, Inspector E.F. Donnelly wrote that he got the feeling that Roe had "utter contempt for OSHA."

Imperial ended up paying a $2,560 fine for a series of health and safety violations in Moosic, including citations for unlit exit signs, blocked exits and electrical cords lying in pools of water.

One employee told the inspector that the plant was "an accident waiting to happen." A few months later, a small fire broke out at the Imperial plant, causing $6,000 in damage. No one was injured.

By that time, Roe had developed two distinct styles of dealing with the world around him.

To workers, government officials, union leaders and inspectors such as Donnelly, he was a tyrant, hellbent on pushing product out the factory door.

But to those who served his interests -- buyers, family members, even the bartender at a restaurant he frequented -- he was a model businessman.

"He's a very friendly person a real class guy, a gentleman," said Angelo Bistocchi of Bistocchi's restaurant in Dunmore, Pa., near Moosic. "Everybody around him was his friend. He was just that type of guy, just a real down-to-earth, hard-working family man, a wonderful guy."

Southern hospitality

By the late 1980s, the competition was heating up in the further-processing business. The nation's biggest poultry producers added further-processing equipment to their slaughtering plants. Some also bought out small further-processing companies and supplied the plants with their own chickens.

With annual sales estimated at $35 million by the late 1980s, Imperial was still tiny compared to the likes of Tyson Foods Inc. or ConAgra Inc. But Roe, undaunted, developed his own expansion plan.

While regulators were complicating his business in Moosic in the mid-1980s, Roe was meeting little resistance in Hamlet -- no unions, no OSHA inspectors, no workplace safety fines. In fact, the only skirmishes he would have in Hamlet were over the excessive amount of grease Imperial was dumping into the city's sewer system.

The South, it seemed, was a more hospitable place to do business.

In 1988, Roe put himself deep into debt by buying an Alabama company, Haverpride Farms Inc., which operated in Tarrant, a Birmingham suburb. Haverpride, then owned by Northern Foods plc, a British company, was struggling, but Roe was confident he could make the operation a winner.

He secured a $5 million loan from Northeastern Bank of Pennsylvania in Wilkes-Barre by pledging the assets of Haverpride and Imperial, as well as his personal holdings. Nephew Edward Woncik also signed on, pledging his personal wealth.

The Haverpride plant cost $3.5 million, and the remaining $1.5 million was used to finance Imperial's operations.

Meanwhile, Roe had closed a plant in Denver in 1987, according to people familiar with his business dealings. He had gotten control of the Denver plant sometime after opening in Hamlet. Imperial did not register to do business in Colorado.
By 1989, Roe had had his fill of problems in Moosic. He bought another poultry-belt plant in Cumming, Ga., a town of 4,400 people about 25 miles north of Atlanta, and sold the Moosic factory where he had started his business 16 years earlier.

As in Hamlet, Roe had found another building -- a former Mrs. Kinser's Homestyle Foods chicken and potato salad kitchen -- that he could renovate and run in relative obscurity. The plant cost $725,000.

The move to Cumming also offered Roe the other advantages he had found in Hamlet -- plenty of low-wage, non-union workers and proximity to his biggest suppliers, including Cagles Inc. in Atlanta, which was shipping to Haverpride more than 140,000 deboned chickens a week.

With the closing of the Moosic plant, the entire Roe family headed South. Emmett and Joan bought a townhouse, while Emmett Jr. and his wife bought an $88,000 house in north Atlanta. Imperial set up headquarters a few miles away.

Shortly after Roe opened the Cumming plant, a fire broke out, causing nearly $1.2 million in damage. Imperial was forced to set up temporary manufacturing operations in a nearby building.

County fire inspectors pointed out dozens of problems in the plant. Improper ventilation, poorly marked exits and a broken sprinkler system topped the list. Imperial improved the ventilation and added sprinklers, and was back in business in Cumming.

"Where's the chicken?"

Haverpride, however, continued to struggle, and Roe's empire began drowning in debt.

To cover their huge loan payments, Roe and Woncik began cutting corners. Customers started complaining of poor quality, particularly from Haverpride.

One of the Alabama plant's biggest customers -- Lyle Farms Inc., a Georgia food brokerage -- started receiving dozens of letters from grocery stores and individual customers unhappy with Imperial chicken.

The nuggets -- packaged under names like Big Top, Shur-Fine and Jewell -- were criticized as having lots of bread, little meat.

"Where's the chicken?" asked Joan McSouga of Shamoken, Pa., in a letter to her grocer Sept. 29, 1988; the grocer forwarded the letter to Lyle Farms.

In court documents, one Lyle executive contended that cash-strapped Haverpride had made nuggets from "mechanically deboned chicken" -- that is, from slivers of meat steamed from chicken carcasses already stripped of the best cuts.

"I've seen the meat that's gone in it," Cynthia Dillard, a former Haverpride employee, said in a court deposition. "I've smelled it. And I wouldn't even feed it to my dog."

Lyle, which had an unwritten agreement to buy more than $20 million worth of chicken from Haverpride over a three-year period, backed out of the deal in March 1990. A local school system still was a major customer, but when the school year ended, Haverpride had almost no business left.

Roe also was having labor trouble at Haverpride, where most of the 125 employees belonged to the Food and Commercial Workers union.

"He's just an SOB," said Jewell Corbett, who worked in the packing department at Haverpride. "They liked to work us to death and they were a hard company to work for."

On March 16, 1990, Haverpride shut down under pressure from the local power company, which was owed more than $4,000 and had promised to cut off Haverpride's electricity over the weekend.

As Corbett and other workers on the second shift ended their evening and walked toward the time clock to punch out, they saw a notice above the clock that said: "You are Indefinitely Terminated."

The closing caused a flurry of protests. Workers sued the company, claiming it had violated the federal Workers' Advance Renotification Act. The law generally requires employers of 50 or more people to give at least 60 days notice before closing a plant.

Matters grew worse when some of the plant's pregnant employees visited their doctors' offices only to learn that Haverpride had not kept up payments on health care for its workers. The plant had stopped paying the $175 a month per worker nearly three months earlier, but had continued to withhold $4 a week from each employee's paycheck.

In retaliation, employees pushed Haverpride into bankruptcy in March 1990.
At a crossroads

Even before Haverpride closed its doors, Imperial Food Products was in trouble. Woncik, who now is in the real estate business in Atlanta, testified in a bankruptcy court deposition that Imperial had been insolvent for at least a year prior to the Alabama plant's closing.

After Haverpride shut down, Imperial apparently stepped up production at the Hamlet and Cumming plants, creating sewage problems. The Roes paid thousands of dollars in fines and were threatened repeatedly with being shut off from the two cities' sewer systems.

In a March 1991 letter, Cumming sanitation engineer Jack Curry told Emmett Roe Jr. -- then the Cumming plant's manager -- that the city reserved the right "to simply pull the plug" on Imperial's waste, and that city officials' patience had been stretched to the limit.

"I'm afraid Mr. Roe we are at a crossroads," Curry wrote. "Your facilities' wastewater discharge has caused more problems for the City of Cumming's treatment process than all others combined, both industrial and domestic."

In Hamlet, Mick Noland, regional supervisor for the state Division of Environmental Management, recalls "balls of grease the size of cannonballs" being discharged from the Imperial plant.

Ron Niland, Hamlet city manager at the time, said the Imperial plant expanded production in May 1990, about two months after Haverpride was closed. Plant manager Neil Hair, Roe's son-in-law, didn't say anything until city officials traced the sewage problem to Imperial and confronted him.

"They let us in, but they didn't have open arms," Niland said in an interview. He also recalled that Roe once had told him: "Ron, people will tell you about me. I don't lie. I may prevaricate a lot, but I don't lie."

Death in Hamlet

With Imperial in a financial scramble, former Hamlet workers said, Roe family members pressured them to keep up production. So on the morning of Sept. 3, maintenance workers tried to repair a hydraulic line without shutting down the nearby fryer it controlled.

One former Imperial employee, Bobby Quick, later testified before a congressional committee that Brad Roe had ordered that the job be done as quickly as possible -- precious production time was being lost.

But during the repair, the line came loose from its coupling and spewed fluid onto the floor and the fryer, igniting a fire that quickly spread thick smoke through the building. Moments later, Brad Roe burst into the Hamlet Fire Department, looking for help.

As the bodies of the 25 dead were pulled from the burned-out plant, Brad Roe appeared before television cameras in tank top and jeans. He talked to reporters that day, but has refused requests for interviews since.

In Georgia, Emmett Roe's only initial response was an obscene gesture to a television crew from behind a car window. Prompted by media inquiries, he later issued a short statement expressing his sorrow over the deaths of the workers. The next time Roe wrote the survivors, it was to tell them that the plant wouldn't reopen and that they no longer were employed.

In the days that followed the fire, Roe tried to save his company. He made dozens of trips to Northeastern Bank's Pennsylvania headquarters to ask for more time to repay Imperial's loan.

His pleas failed to persuade bank officials. Under their orders, Roe closed the Cumming plant Oct. 7. ConAgra bought Haverpride for $4 million several months ago, but Roe still faces dozens of lawsuits stemming from his closing of the Alabama plant.

Roe, his family and Imperial also face a mountain of legal problems in North Carolina.

The State Bureau of Investigation is questioning current and former Imperial workers to determine whether management of the Hamlet plant was criminally negligent. SBI director Charles J. Dunn Jr. said he hopes to submit a report to the Richmond County district attorney's office by mid-January.

Roe and Imperial also must deal with civil suits filed against them by survivors of the fire and the families of the dead.

Few friends have been willing to talk about their contact with Roe since the fire, but those who have opened up say he was disturbed by the fire and the 25 deaths.

"He's as distraught, as meek, as I've ever seen him," said William W. Sawyer Jr., executive vice president of the Cumming/Forsyth County Chamber of Commerce, who befriended Roe while recruiting Imperial to the North Georgia community.

"He doesn't have an idea which way to turn," Mr. Sawyer said. "I think he's shell-shocked ... . Emmett holds his feelings in. But I've got a
feeling that when he goes in the shower, he completely falls apart.”

The tears Emmett Roe may cry are no help to Flora Ann Banks, Margaret Banks’ mother, or to Hamlet’s other survivors. But Banks refuses to hate Roe. God won’t let her, she said. The businessman, after all, is serving a life sentence.

"He’s got to live the rest of his life knowing he could have done something about it, and he didn’t," Banks said. "He’s got to live the rest of his life in guilt because of that.”