

# ShopTalk

September 23, 2004 Vol. 30 No. 32

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## Serious About SOX

**L**ike other readers, Post employees are often affected at work by the news that appears in the pages of the newspaper. Reporter **Carrie Johnson** and her colleagues in the Business Section have written numerous stories about the Sarbanes-Oxley (SOX) Act, passed by Congress in 2002 in response to the Enron and WorldCom accounting scandals. For the last several months, staff in the Account-



*The IT SOX Team includes (back row, l-r) James Spaith, John Allen, Don White, (front row, l-r) Clare Fennessy and Perry Payne.*



**Don Woodall and Wendy Friedland**

ing and IT departments have spent a significant amount of time and resources to ensure that the newspaper and ultimately, The Washington Post

Company, meet and surpass the act's requirements.

Authored by Maryland Sen. Paul Sarbanes and Ohio Rep. Michael Oxley, this legislation makes chief executive officers (CEOs) and chief financial officers (CFOs) of publicly traded companies responsible for their companies' financial results and controls. SOX requires a company's internal controls for financial reporting to be effective and to be reviewed by an independent auditor. According to information provided by the House Committee on Financial Services, the act

includes requirements for companies to report all material financial results, commitments, transactions, relationships with entities and risks or uncertainties to the business.

At The Post, this means that every ad that is sold, every subscription payment and every travel expense reimbursement, just to name a few examples, must go through very specific internal controls to comply with SOX. Next month, the company's auditing firm Pricewater-

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# Bylines

**Carol Melamed**, vice president of government affairs, was selected to be the first recipient of the Maryland, Delaware, District of Columbia (MDDC) Press Association's Distinguished Service Award. Melamed received the award on Sept. 10 during the MDDC's annual convention in Ocean City, Md.



PHOTO - BILL O'LEARY

**Carol Melamed** is honored by MDDC.

Melamed is currently chair of the association's government affairs committee and served in the position of president in 1999-2000. "She has led the way in defending several assaults on Freedom of Information issues and played a key role in forging court rules that will help newspapers for decades to come," said Tom Marquardt, chairman of the MDDC Freedom of Information subcommittee.

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**A**dvertising sales representative **Eileen Murnane's** visit in the early summer to the nondenominational church Journey's Crossing motivated her to take a trip that has had a big influence on her life.



PHOTO PROVIDED BY MURNANE

**Eileen Murnane** holds one of the children from the orphanage in Mexico.

As she left the church in Montgomery County, Murnane picked up a flier with information about a mission trip to an orphanage in San Luis Potosi, Mexico. "I've always wanted to do something like this," she explained. "The opportunity was right in my face, it was only \$1,000 and it was for kids."

On Aug. 12, Murnane accompanied a group of 12 people from the church on a weeklong trip to help the 20 children living in the orphanage. The group took the children shopping for school clothes, supplies and backpacks. They also painted and repaired the orphanage, hosted a back-to-school party and took the children to a nearby carnival. The group was able to buy additional supplies because several of Murnane's colleagues in Advertising made contributions to Journey's Crossing through The Post's Matching Gifts program.

According to Murnane, the children at the orphanage do have parents but they are sent to the orphanage because

their families can't afford to take care of them. "I didn't speak Spanish and they didn't speak English, but it was easy for us to communicate," she said.

The experience has prompted Murnane to

look into taking Spanish lessons and she plans on returning to the orphanage next year.

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**A** new CBS sitcom based on the columns of Post sports columnist **Tony Kornheiser** premiered at 8:30 p.m. on Monday, Sept. 20.

According to CBS, "Listen Up" is about an irreverent sports show host named Tony Kleinman (played by Jason Alexander) who banters about all things sports with his witty sidekick Bernie Widmer (played by Malcolm-Jamal Warner) on their television talk show. The Kleinman character also writes a humorous syndicated humor column that includes commentary on his family.

On the big screen, Kornheiser and Post Sports columnist **Michael Wilbon**, his co-host on ESPN's "Pardon the Interruption," make a guest appearance in the new movie "Mr. 3000" now playing in local theaters. ■



PHOTO PROVIDED BY CBS

Jason Alexander and Malcolm-Jamal Warner star in the new CBS sitcom "Listen Up" based on **Tony Kornheiser's** columns.

houseCoopers begins its first mandated SOX audit of The Post.

According to **Don Woodall**, Director of Financial Operations, The Post, which has been a publicly traded company since 1971, has always received a clean opinion on its financial results.

"When you think about audits, you think about whether the financial statements are presented fairly," he explained. "But, Sarbanes-Oxley is really about a company's internal controls. The focus is on preventative controls so people can't either intentionally or unintentionally misstate numbers. We also must document and test these controls."

As Director of Financial Accounting, SOX Compliance, **Wendy Friedland** is specifically responsible for overseeing the internal testing of The Post's accounting controls. She reports directly to Vice President/Controller, **Peggy Schiff**, who must sign off on the newspaper's financial statements. The final sign-off, as mandated by SOX, is by Washington Post Company CEO **Don Graham** and Vice President-Finance **Jay Morse**, who is the company's principal financial and accounting officer.

Friedland explains "internal controls" by using the example of travel expense reimbursement. The Post must show that a travel expense was approved by an authorized person who has the spending authority to approve the amount of the reimbursement. Friedland

emphasizes that this has always been Post policy. However, to meet SOX compliance, the newspaper must now demonstrate that controls are in place to show that someone is reviewing the expense report and to also demonstrate how exceptions are handled.

"Testing the control may include picking a sample of travel expense reports over the previous year," she explained. "If three of them aren't approved, that's a 'fail.' We can't fail, we have to find out where our controls aren't working and make sure that they work."

The large impact of SOX compliance is being felt in the IT Department by **Don White**, Director of IT and his team of four staff, including **John Allen**, **Clare Fennessy**, **Perry Payne**, and **James Spait**. White estimates that IT has logged more than 2,700 hours to date in 2004 directly related to SOX.

The IT SOX team is responsible for testing The Post's systems that relate to financial reporting. These systems include in Advertising: the Advertising Business System (ABS) and the SII Classified system; in Circulation: Data Sciences, Inc. (DSI) and the distributor billing system, and in Accounting: eBusiness Suite, Bottomline and Peoplesoft.

One of IT's priorities for SOX is ensuring the security of Post systems. Later this year, approximately 1,000 Post staff who are users of financial systems, including the IT staff supporting the systems, will be required to take security awareness training administered by the

Organization Development and Training Department.

Other controls include monitoring access to data and applications. The team is reviewing staff access to applications and testing strong password compliance. In addition, IT enhanced the physical security of Post systems with the relocation of the data center to Tysons Corner.

According to White, the IT Department is undergoing a separate audit of its processes and controls by PricewaterhouseCoopers, which will also take place next month.

"This is not a one time event," explains White. "SOX has materially affected how we work and what we focus on in IT, much like other federal laws such as the do not call telemarketing legislation. SOX is the granddaddy of them all." ■





IT's **Mari Rahimi** is Florida-bound.

## Rahimi Leaves Post

IT Client Support Manager **Mari Rahimi** said farewell to friends and colleagues at The Post at a party in her honor on Wednesday, Sept. 15. Rahimi is relocating to Florida at the end of the month to begin her new job as a senior technology manager at the *Orlando Sentinel*. Well-wishers at the party included Publisher **Bo Jones** who thanked Rahimi for her technical help over the years. Rahimi began her career at the newspaper in 1986.

## Music and Dance Scholarship Awards

The Washington Post's 3rd Annual Music & Dance Scholarship Awards will take place on Saturday, Oct. 9 at 7 p.m. at

the Warner Theatre at 13th & E Streets, N.W. The event will be hosted by Jim Vance from NBC TV-4 and Tatyana Ali who starred in the sitcom "Fresh Prince of Bel Air." There will be special guest performances by the Urban Nation H.I.P.-H.O.P. Choir, Dancemakers, and local high school seniors who are contestants for the 2004 Music & Dance Scholarship Awards. Tickets are \$27.50 for orchestra, \$19.50 for mid-balcony



and \$11.50 for upper balcony. Ticket proceeds will benefit Urban Nation, Inc. and The Washington Post Company Educational Foundation. Employees interested in purchasing tickets should contact **David Jones**, Public Relations, at x4-4917.

## Health Center News

The Northwest Health Center is offering free hearing tests today through Sunday, Sept. 26 from 7 a.m. until 10:30 p.m. The process takes 15 minutes. Call the Health Center at x4-7192 to make an appointment to see if your hearing is in the normal range for your age.

## OD&T News

The Organization Development and Training Department is hosting the Giving and Receiving Constructive Feedback leadership seminar on Wednesday, Sept. 29, 9:15 a.m. to noon. The seminar will take place in the North-

west Building's 1st floor Sousa meeting room. The speaker is Edith Seashore, the author of *Giving and Receiving Feedback*, *Feedback Loop* and *The Importance of Feedback*. Contact the OD&T hotline at x4-5425 to reserve space. ■

## ISO Post Book Authors

ShopTalk will be featuring new books written by Post staff in an upcoming issue. If you have written or been involved in the publication of a book that has been published since May 2004 or is scheduled to be published by February 2005, contact **Lisa Connors**, ShopTalk editor at [connorsl@washpost.com](mailto:connorsl@washpost.com). Please include the name of the book, publisher, whether you are an author, co-author or other involvement, month/ year of publication, hardcover/paperback, and a short description. If you have any questions, call Connors at x4-6803.

## Marketplace

**FOR RENT:** Single family home, 3BR, 2BA, fireplace, new CAC, new hot water heater, gas heat, carport, large storage shed. Three miles from Springfield plant, walk to Accotink Park. No smoking/pets. \$1,350 month. Call Thoai Tran at (703) 425-3523.

**FOR SALE:** 1993 Toyota Corolla, good condition, five-speed stick, blue, new brakes and generator, 98,000 miles, VA inspected, price \$2,150, CD player and upgraded speaker system. Call Jim at (703) 256-7128.

**FOR SALE:** 1994 Oldsmobile Cutlass with AM/FM radio, air conditioning, four new tires and brakes, good condition. Best offer accepted. Call Bob at x6-2220, Monday-Friday, 3 to 10 p.m.

**FOR SALE:** Wicker bedroom set w/queen-size headboard, 2 nightstands and one 3-drawer chest of drawers, all sturdy white wicker and in nearly new condition. Purchased in 1997 for \$900 total; seeking \$450/OBO. Also, maple student desk for \$25. Call Kay at x4-7667 or (703) 799-3062.

**FOR RENT:** 3 BR townhouse, 1 1/2 BA, wash/dryer, dishwasher. 10 min. from Univ. of Md., 15 min. from Catholic Univ. Parking, on the bus line. Quiet community, students welcome, will rent rooms. \$650 a month per room, \$1,250 per month for entire unit. No smoking, no pets. Avail Oct. 1. Call Sherrell at (301) 805-9066.

**ISO CARPENTER:** All-thumbs family looking for a carpenter who can build a platform with legs under a fairly large China cabinet. Experienced only. Sanely priced only. Please call Bob at (202) 877-7983 or (301) 654-7033.

**FOR RENT:** 1 BR in College Park, moderate size house w/access to whole house. Convenient to Green Line Metro, College Park Plant. \$750 + utilities. Avail. now. Contact Maura Donohue x4-7822 or e-mail: [naltoidaddict@yahoo.com](mailto:naltoidaddict@yahoo.com).

**FOR SALE:** Washington Post t-shirts, sweatshirts, caps, umbrellas, bags, mugs, books and more! Shop online at: [www.washingtonpost.com/store](http://www.washingtonpost.com/store). Enter POST in coupon code during checkout for 10% discount.

**FOR RENT:** Apt. at N.W. 2440 16th/Kalorama Sts, #320, Park Tower, Avail. Oct. 15. Beautifully managed, secure, quiet building, 24 hr front desk security. 1BR/1BA w/great sunlight, CAC, W/D, cable ready. Sorry-no smk'g/no pets allowed. \$1,250 + utils. Refs. needed. Credit checked. \$650 deposit required. Call Victoria at x4-5759.

**MARKETPLACE DEADLINE:** Noon Fridays. Please include your name, extension and home phone number. Ads are for Post Employees only. Send ads to Shop Talk, 7th floor, or call x4-6803. To send ads via fax dial x4-4963; via e-mail send to [shoptalk](mailto:shoptalk). Ads run two issues unless otherwise requested. One ad per employee, please.