

Local gas stations experiment with automated teller machine

By Randy Donner
Staff Reporter

Two Lincoln gas stations have endorsed the checkless society that the financial industry spoke of during the 1970s.

For the past year, the Gateway and Parkway Phillips 66 gas stations have experimented with automated fuel delivery systems. These systems link a machine similar to an automated teller machine, to a set of gas pumps. Customers can buy gas by using their automatic teller cards, called debit cards. The purchase amount is electronically credited to the station's account and deducted from the customer's account.

Whitehead Oil Company owns the stations that are experimenting with the machines. According to Charles Perdue, a Whitehead salesman, the machines have been so successful that the company plans to buy more.

People use the machines most between 4:30 p.m. and midnight, Perdue said. In the last five weeks, the machine at the Parkway station, 48th and Normal streets, has averaged 196 customers each week, he said.

The two Phillips 66 machines, called point-of-sale electronic funds transfer terminals, are a part of a 400-terminal network in Nebraska.

But according to John Miller, executive vice president of Nebraska Electronic Funds Transfer Service, only three of the 400 Nebraska terminals are POS machines. These are the Lincoln gas stations' POS machines and a third, similar unit in Waverly, Miller said.

In contrast, more than 414,000 debit cards are in use in Nebraska, Miller said. About 25 percent of people who have bank accounts in the state have debit cards. Nebraska's percentage is higher than the national percentage, he said.

Sam Somerholder, senior vice president at First National Lincoln, said most banks encourage account-holders to use debit cards as much as possible. Electronic transactions reduce banks' paper work and make operations more efficient.

Gordon Shupe, assistant vice president of the electronic banking department at the National Bank of Commerce in Lincoln, said fraud involving POS machines is less common than checks that bounce. Both automated tellers and POS machines confirm that the requested amount exists in the account before the transaction is allowed. This helps reduce fraud, Shupe said.

Most of the problems with debit card fraud involve stolen cards, he said.

Less than 1 percent of the total dollars dispensed through bank machines involve fraud, Shupe said. And 95 percent of these cases involve cards borrowed or taken by family members, roommates and friends.

Businessmen, officials testify for, against ban

By Brad Gifford
Senior Reporter

Bellevue Mayor Joe Baldwin Thursday told the Legislature's Miscellaneous Subjects Committee how 15 months of proceeds from video lottery machines turned that city's \$500,000 deficit into a \$2 million surplus and financed several community betterment projects.

Shelby Sturgeon, a Bellevue store manager, testified how he and "several others like me" lost more than \$10,000 to the machines.

These accounts illustrate the schizophrenic effects of the machines, which LB144 would reinstate in Nebraska. Senators heard more than 4 1/2 hours testimony from 30 people. About 150 people crowded the hearing room, and about 20 more watched the hearing on closed circuit TV in another room.

Proponents, mostly city and county officials from as far as Scottsbluff and South Sioux City, said their governments have become accustomed to the proceeds and their cities need the money. They said that if Nebraska did not lift its ban, their communities would soon lose money to Wyoming and Iowa, states where lottery legislation is pending.

When the machines were operating in Nebraska, Iowans came across state lines to play them said Bellevue and South Sioux City businessmen and officials.

Baldwin said receipts from the Iowa-Nebraska bridge near Bellevue increased when the machines were operating there. If Nebraska continued the ban and Iowa legalizes the machines, he said, Nebraskans will cross the bridge in record numbers.

Nebraska and its cities will lose more money in that situation, South Sioux City administrator Lance Hedquist said.

"Business will flow away from Northeast Nebraska and our community if Iowa puts the lottery in," Hedquist said.

Pam Williams, owner and operator of a restaurant in South Sioux City, said her business was suffering already. She said she made about \$5,000 weekly while seven machines were operating in the establishment, she said. Now she makes less than \$2,500, a week, she said.

Former Scottsbluff County Commissioner Clint Morrison said that his

county is losing \$2,700 a day without the machines. He said a similar bill Wednesday won committee approval in the Wyoming Legislature. He said he is afraid that Western Nebraska dollars will flow across the border if Wyoming adopts the machines and Nebraska does not.

Some people have become as dependent on the machines as cities have become on the revenue proceeds.

Sturgeon said that he doesn't know why, but something made him play the machines time and time again, although he was losing \$200 to \$300 a day.

"It gets past the point of a voluntary tax when you feel like you have to play these things," Sturgeon said.

Sturgeon said that a video lottery machine seduces compulsive gamblers because "it is on all the time. It never shuts off."

"If you legalize these machines," he told the committee, "you might as well legalize cocaine. You can tax that, too."

Francis McGill, an Omaha businessman, said the losses he incurred playing the machines led him to a life of crime. He said he stole money to cover his debt and knows of three other men who embezzled their businesses to cover their debts. But McGill said he's not against gambling if people who do it sensibly.

"I absolutely envy the people who can gamble for the pleasure and enjoyment of it," McGill said. "I would hope that there's a better way to raise (revenues). Continued on Page 6

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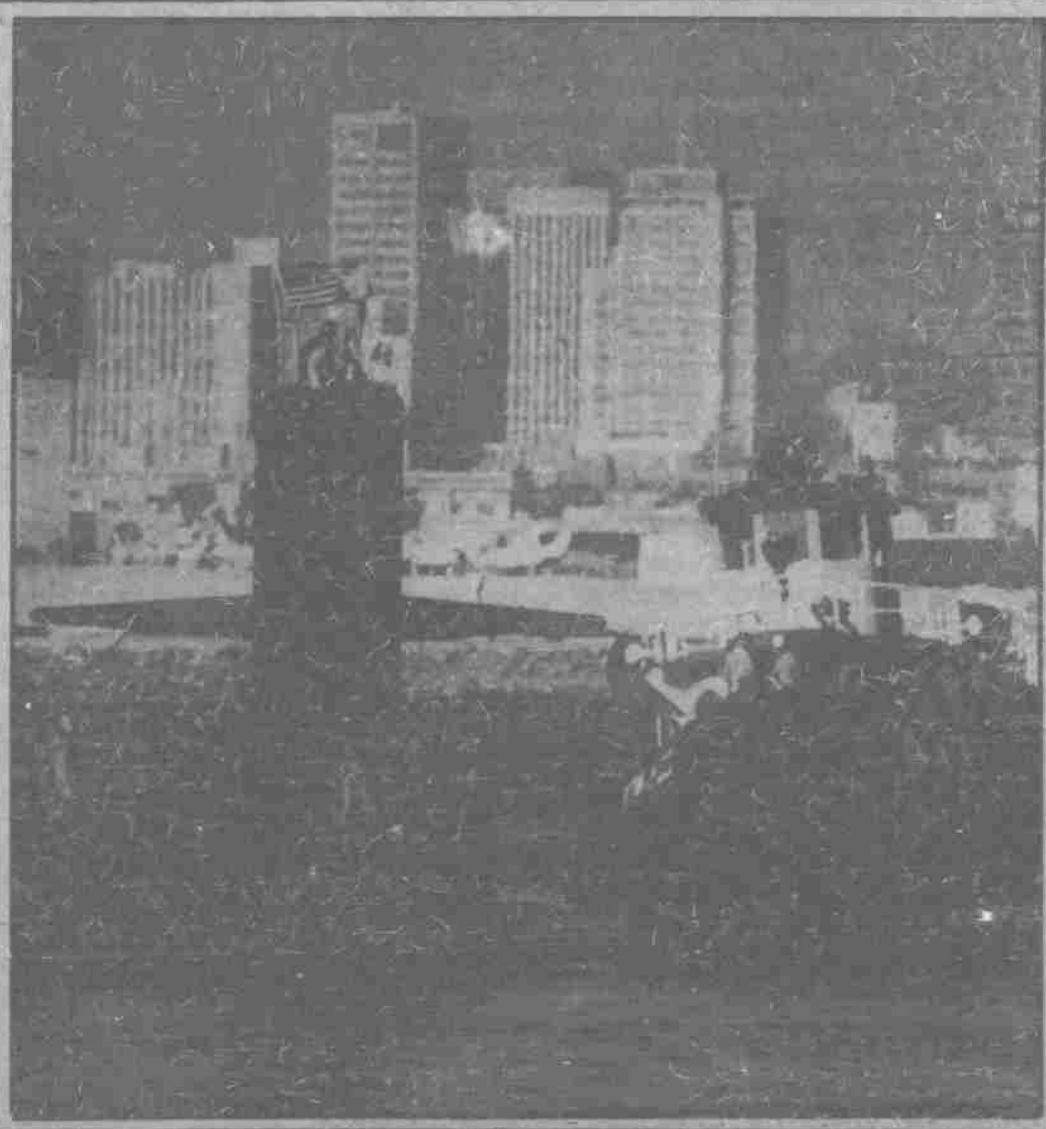
Police Report

The following incidents were reported to the UNL police between 1:01 a.m. and 12:59 p.m. Wednesday.

1:01 a.m. — Disturbance reported at Sellsch Quadrangle. Person was arrested on charges of disturbing the peace and assault.

8:07 a.m. — Fraudulent use of a bank card reported.

12:09 p.m. — Wallet reported stolen from Oldfather Hall.



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