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The Overachiever

When I got to work on September 26, 2002, I was surprised to see my boss's, Diane's, Z3 convertible parked out front.

I stuck my head in her office. "I thought you were going to see Rita in Atlanta today."

Diane looked up, her bright-red nails matching her lipstick, and complimenting her dark-blue wow-the-clients suit. "A terrible thing has happened. Rita's brother was killed in a surfing accident yesterday. She called me from California this morning."

I fought to suppress the grin I felt breaking out and retreated to my cube. Within five minutes my colleague Judy came to my desk.

"The timing is really uncanny," she whispered.

I confessed that I was about to start searching for surfing accident stories in the California newspapers and obituaries.

"I already did," Judy said triumphantly. "Nothing. Nada. Zip."

Scott, our chief financial officer, ambled over to the entrance of my cube, where he stood, gray and bland as always, intently peeling his banana. He took a big bite.

"So," he said and then chewed deliberately. "Do you think Rita even *has* a brother?"

April 1, 1999 (1 Brattle Square, 2500 sq. ft.)

Eight colleagues and I sat in the office, rereading the termination letters we'd just received from the parent company that had acquired us, then dumped us. On the spot we decided to pool our efforts and our eight weeks of severance pay and start a new company.

PartnerVille* was born that day and nurtured in our living rooms over the next couple of months. It was to be in the business of hosting and running online communities, private places on the web where companies could collaborate both internally and with their customers. We

would preach what we practiced, marrying technology with mutual respect, honest expression, and an appetite for learning. Our quest was not only to live the values of cooperation, fun, and irreverence, but to prove the financial merits of those values. I was, for the first time, allowing myself to believe that it was possible to create capitalism with a human face, a face with middle-aged wrinkles and laugh lines. And though I tried not to, I couldn't help thinking that maybe I'd get rich.

Our enthusiasm, website mock-ups, and leadership's track record with past businesses were enough to get us our first \$900,000 in angel capital. With some of that we hired Diane to be our CEO, and within months she had raised \$10 million in venture capital to fund us in transforming our PowerPoint slides and wireframes into a working online environment where people could come together to have discussions, brainstorm ideas, and share pictures and documents.

In her mid-40s, Diane was smart, charismatic, and driven. She was flirtatious with men and women alike, seductive in her ability to elicit and listen, and to create the feeling that you shared a common sensibility and set of goals. And she recruited salespeople like herself — smart, informed, straight talkers, who were relentless in pursuit of the right sale, but willing to walk away from the wrong one. They had integrity.

Diane had worked with Rita at a prior company and lost little time in hiring her to bring the same skills and Rolodex to PartnerVille. Based in Atlanta, Rita came up to Boston for several days of meetings and training. Having expanded as a company from ten people to fifty over six months, we'd outgrown our conference room, and our Tuesday morning staff meetings had become hot, crowded, standing-room-only affairs.

But Rita was cool bordering on frosty, all five feet of her, glossy blonde hair pulled back with a simple hairband and cascading almost to her waist, standing before the group, seven months pregnant with her second child, firing off as many questions about the business model and technology as she was answering about herself, taking copious notes about current and potential competitors,

and generally impressing the hell out of us. At the end of her last, long training day in town, a few of us took her out for dinner, and I tried to get to know her a little better.

She shared her professional history, but only in headlines. She'd worked her way up in the world, from a clerk at United Parcel Service to the director of sales at a multinational training and organizational development firm. Somewhere along the way she'd married and had a child, but the references to her family — indeed, to anything personal — were rare. Finally, in an attempt to make some sort of a connection, I asked, "Do you have a picture of your son?" I never particularly liked looking at pictures of other people's kids. But Rita was such a cipher, a cool, dark, granite wall reflecting only my own image back at me, that I was looking for a way in.

"No," she answered. "I always think it's tacky to pull out pictures of your kid, don't you?" A small, tight smile came and went. "Say, do you think I could have another Diet Coke?"

Then she said something to Diane, indicating that our conversation was over. Okay, I thought. A pregnant blonde who has Diet Coke for dinner isn't exactly my soul mate anyhow. She's smart, she can sell. It takes all kinds of people to make a business work.

February-September 2001 (1 Arsenal Place, 15,000 sq. ft.)
After her maternity leave, Rita returned to work in February, one month before Wall Street came crashing down from its Internet high. Despite everyone's best efforts, revenues were paltry and our now panicky investors, the ones who'd told us to go ahead and rent our capacious, barely furnished office and to spend, spend, spend, now told us, "Cut your burn rate by fifty percent in the next month, and grow your top line faster." I quickly learned that this was financier-speak for "Reduce your costs and increase your revenues."

On the sales front, Rita was leading the charge. She was tireless and we at headquarters responded in kind, forming a short-lived SWAT team to help her close sales with several prospects, all of whom were on the brink of signing.

It seemed to pay off. By September Rita had brought in signed contracts totaling \$598,000 — not bad for six months' work. But on Monday, September 10, as we reviewed the numbers at the start of our sales meeting, it was clear that we were still about \$200,000 shy of our goal for the quarter that would wrap up in just under three weeks. Our investors, Diane informed us, had made it clear that another round of financing — a round we could not survive without — was contingent on us making our targets.

We fell into a grim silence that Rita finally broke by saying, "Well, you know we salespeople don't like to talk about anything before it's real for fear that we'll jinx it, but I'm actually expecting delivery of a signed contract from Delta tomorrow."

The next morning's meeting started routinely, with updates on the testing of the new software release ("Only about seventy-five bugs, which isn't as bad as it sounds," our chief technical officer announced) and the quest for tenants to share the costs of our newly leased space ("Maybe we should rent the office out for children's birthday parties," I suggested).

Then, with a Cheshire Cat grin, Diane innocently asked, "Any sales updates?" and Rita casually tossed a FedEx envelope on the table.

"Just this little contract from Delta Airlines for two customer communities amounting to \$178K," she said quietly.

We burst into applause. Diane pulled a shiny gold Burger King crown from her briefcase and ceremoniously placed it on Rita's head. Judy handed her a small packet of glitter ("Fairy dust," she said with a big smile), which Rita regally scattered around the table. Then, sitting upright at the head of the long conference table, Rita held a pencil up like a scepter, the oversized golden crown surrounding her gleaming blonde head, and we all scraped and bowed in mock thanks and supplication at her feet, frozen in the pose until the flash of someone's digital camera flared twice.

We resumed our seats and had begun to circulate slices of coffee cake when someone came into the

conference room and handed Diane a note. She read it with a puzzled look, then announced, "Apparently there's been some sort of accident. A plane has crashed into the World Trade Center."

*"God, I sure hope it wasn't a Delta plane," someone murmured.

October-December 2001

In the dazed horror and economic paralysis following September 11, most of our new contracts stalled and our pipeline—the pool of serious prospects who were close to signing—dried up. Sales still had a long gestation period, and those that Rita had made in the last quarter were advancing at a glacial pace. Although we had signed contracts from several of her accounts, we could not actually bill until we started the series of client meetings to plan the community, and we could not realize the revenue in our books until we'd recruited consumers and that community was up and running.

But we were having a difficult time getting to launch. Delta, not surprisingly, was too focused on survival to have much energy for us. Rita's client contact at NDC Health lost a brother in the World Trade Center and was out of commission for several months. Bell South, like many telecommunications companies, was hit especially hard by the economic decline and had put our project on hold.

Then once again, at zero hour, just before the close of the fourth quarter, Rita finally won a \$240,000 contract with Rare Hospitality, the company behind a string of steakhouse chains. That was good enough for our investors, who agreed to give us enough additional money to keep us afloat for another ten months.

February 2002 (200 Talcott Ave., 3000 sq. ft.)

Our rainmaker threatened to leave. Rita submitted her resignation to Diane, telling her that she wanted to be near her ailing mother in Southern California. She'd been offered a sales job there with a company called Accomplish Now, who was willing to pay her more and to relocate her. Diane made her a counter-offer. Rita could open a new

territory in the Los Angeles area, and PartnerVille would cover her housing and relocation expenses.

Rita accepted and we congratulated ourselves on keeping her. In fact we took her assent as a sign of confidence. I'd always been told that salespeople followed the money, so if she was staying with us, it must mean we were doing something right. Emboldened, we once again pooled our efforts to provide her with enough sales support to keep her dizzying number of prospects afloat.

But although we could see the products of her labor—proposals, signed letters of intent, contracts, emails from Rita to us and our new but still unmet clients in Atlanta—Rita herself began to feel more and more remote to us. Like so many companies at that time, we'd frozen all but the most essential travel, and our geographically dispersed salespeople were just tinny voices coming through the speaker phone.

Rita's voice was precise, tired, but determined as she recounted the delays in launching her signed contracts and strategized around how to get them off the ground. Her thought, effort, and bad luck were evident in the hundreds of pages of detailed call reports, weekly narratives to the management team, and pipeline reports that all the salespeople used to track and report on imminent sales.

At Ryder Trucks, Rita's client, Dorothy, was diagnosed with stage 3 breast cancer, and when she returned to work, priorities had changed and we needed to re-spec the contract. At UPS, implementation of our contract was delayed while the company negotiated a new contract with the Teamsters, and there seemed to be several staffing challenges despite a few good telephone conversations we had with Rob, Rita's client there. ("Hang in there," Rob told my colleague Judy. "We're slow to get started, but once we do, we move fast and we see a lot of future potential for you guys here.") At Delta, Rita reported spending freezes—hardly a surprise.

At least at Rare Hospitality, things were plodding along, if just barely. Rita had arranged a conference call with our new client, Harry Day, the VP of Business Research, to get the member recruitment and community launch process underway. But a half-hour before it was scheduled to start,

Rita called, sounding grim and breathless, to say that her husband was having chest pains, and she was taking him to the hospital. "I can't be on the conference call," she said, "but you go ahead without me. I'll tell Harry to call you directly. I am so, so sorry..."

'Amazingly, she followed through. Harry, a terse man with an exceptionally low voice, called from his cell phone as he was in transit between meetings.

"I know Rita wanted to be on this call," I said as we were signing off, "and I'm sure she'll move mountains to join us next time."

"Yup, she's a real trouper," Harry said.

August 2002

By the end of August, Rita brought in signed contracts from Home Depot and Coca-Cola amounting to another \$500,000 in business, making her once again our most successful salesperson in a slack and skittish market.

But then Heidi, our new client at Coke, didn't have time for us because Coke no longer had time for Heidi. "She's been laid off," Rita reported in a phone call in early September, her voice quivering with frustration. "She was one of a bunch of people laid off, and our project is back in limbo while they redo their marketing budgets."

She wasn't the only frustrated one. In fact a few of us were confessing our suspicions to one another in hushed conversations.

"It's just too weird," Judy insisted. "Rita's like Pig-Pen. She's got this permanent cloud of chaos swirling around her."

The next week Diane had a half-day conference call with Rita in which they reviewed each of her accounts in detail. Diane was tough, insisting that Rita supply Judy's team with the names and contact information for every client so that we could work with them more directly and efficiently. She also persuaded Rita to get some of these clients to agree to be billed in advance to compensate for the cost of their delays.

This meeting seemed finally to yield results. On Rita's instructions our bookkeeper, Elizabeth, mailed out invoices to three clients. She scheduled two trips in

the upcoming two weeks for Diane to come to Atlanta to meet senior client contacts and two kick-off meetings in Atlanta in October.

September 2002

But on September 20, Rita cancelled the first of Diane's two meetings. "Schedule changes," she explained, and forwarded to Diane an email containing the client's apologies. Then on September 26, the date of Diane's second set of meetings, Rita left her a frantic message that her brother had been killed in a surfing accident, and she was running to be with her family in California.

Some of us whispered, some flat-out snickered, but Diane took word of this tragedy completely seriously. The company sent Rita flowers, and, in a silent reproach to us for our cynicism, Diane forwarded to all of us the tearful voice mail Rita left her in response.

"I got home to Atlanta this morning and saw the flowers you sent, and it just unlocked all the tears I'd been holding in all last week in California," Rita's hushed message began. "This has been so hard," she went on, her voice breaking, "so hard," she sobbed, "and I can't begin to tell you how much everyone's support has meant to me. I'm blessed to be working with a company like this."

"Well, color me 'asshole,'" I wrote to Judy in an email after listening to it.

"Maybe, maybe not," she shot back.

October 17, 2002

Diane was not immune to the skepticism that had mounted from a whisper to a steady murmur and issued a memo to the management team. She began by stating the facts—that Rita had basically closed about ten accounts for over \$1.5 million, and yet none of those accounts had generated any revenue or cash yet. Needing to feel that she understood the worst-case situation, Diane had worked with Scott to create a financial scenario in which several of Rita's clients just disappeared and others continued to stall. The result was alarming. We'd have cash through June, but we wouldn't get to break-even and would need another \$80,000 from a fairy godmother *and*

all of our other outstanding invoices to be paid in order to make payroll.

She acknowledged what so many of us had begun to express, but upon digging into the details, concluded that "... there is sloppiness here on Rita's part, related to nailing down dates, etc. However, I have worked with Rita for a long time, and she has always brought in solid numbers. Most of the time, the more I dig in and press for information, the BETTER I feel."

October 23, 2002

Six days later Rita called to say that the kick-off meeting with our newest client, America's Finest Chicken (AFC), had been postponed.

Diane was out of town, but in her absence the rest of the management team conferred and decided that Elizabeth should call the person to whom she'd sent the AFC invoice on the pretext of introducing herself and see if she could figure out what was going on.

An hour later Scott signaled us to return to the conference room.

"They've never heard of us," he said without preamble and without affect.

"They'd never heard of us?" Judy asked in disbelief. "Nope, and a half-hour after we called, their lawyers called us back and warned us to cease and desist from trying to collect payment or we'd face legal action," Scott answered flatly. "I've told Elizabeth to go through the list and call the accounting department at every single one of Rita's clients to see if any of them are real."

We arranged to reconvene at 1:30.

"Ten for ten," Scott announced a few hours later. "They're all fake." He ticked off what he and Elizabeth had learned about each of these "clients" in the past few hours. Most were actual people, high enough in their companies that their names and titles could be harvested from corporate websites. Others were completely fabricated.

Contracts were forged. The total \$1.5 million in sales was made up.

Our investors had financed us and we'd based spending on contracts and revenues that we didn't have.

October 24, 2002

At a company-wide meeting the next morning, I scanned the faces across the table from me. All eyes were on Diane as she broke the news, some jaws already visibly tightened, torsos erect, like people watching an execution. Siobhan began to shake her head in disbelief. Diane paused for a sip of water, and I could hear Lynn's chair creak beside me — nothing else.

"I wish I could tell you why she did it," Diane said, "but I can't. She blames it on obsessive-compulsive disorder. I don't think that explains it."

"Was she getting commission?" I asked.

"No, that's the strange part. She was, however, working for Accomplish Now for the last ten months during which she was also working for us."

"No way!" Judy gasped.

Diane looked at her, grinned tightly, and nodded.

Scott's usually gray face turned strawberry red as he asked, "But how did she do this? Did she have collaborators or conspirators or — what's the word — accomplices? Did she have accomplices? I mean we spoke to Harry Day. We spoke to Heidi at Coke. We spoke to all of these clients. How did she do this?"

"Well, she —" Diane suppressed a hysterical giggle. "I told you this was an amazing story, right? She had a speech synthesizer that she attached to her telephone."

"Shut UP!" squealed Judy, while the programmer next to her started to sing *The Twilight Zone* theme. But others snapped instantly into shocked silence. Another programmer sitting at the back of the room hugged herself and quietly chanted, "That is so sick. That is so sick."

"But what about the invoices I sent?" Elizabeth asked. "I mean some of the names on these contracts, some of the people I sent invoices to, were real people!"

"Yeah, well, Rita would tell you to send the invoice, then she'd call the client — or rather, NOT the client — and tell them that you'd made a clerical error, that they were going to get an invoice from us, and that when they did, they should just throw it out."

"Son of a bitch," Elizabeth exploded.

The meeting continued in bipolar fashion, with the

mood swinging wildly from barely contained hysteria ("Maybe I should call Rita and say, 'Hi, this is Harry Day,'" Siobhan suggested) to fear ("Are there going to be more layoffs?") to horror ("She's got little kids. What kind of household are they growing up in!"). People peppered Diane with questions, but most of them were variations on the same theme: How could this have happened? How could Rita have gotten away with it for so long? And above all: How will she be punished? Will we sue her? Is it a criminal offense? How will she be made to *pay* for this?

But I found myself unable to share in this lust for revenge. Somewhere in Diane's narrative I'd realized that if Rita hadn't made up these contracts, we probably never would have gotten our last two rounds of financing. Without her fraud our company would probably have collapsed a year earlier. I found myself looking guiltily around the room, feeling more like a collaborator than a victim.

2011 (290 Congress Street, 15,000 sq. ft.)

Rita's case finally came to trial in 2005. She was charged with wire fraud, and after blaming Diane in her trial for putting too much pressure on her, after thanking God and her pastor for helping her see the way back to the light, she eventually pled guilty. She was given three months' house arrest, five years of probation, and ordered to pay \$70,000 in restitution to PartnerVille.

But the outcome does nothing to explain the cause. Was Rita a sociopath? Was she so successfully able to defraud PartnerVille and Accomplish Now because she lacks some essential genes or synapses needed for a conscience?

Perhaps, but that only explains her. How did we let this happen? How did we let her get away with it for as long as we did? And why, according to newspaper reports, did Accomplish Now continue to employ her even after being informed by federal prosecutors that she was under investigation, and later pay her \$43,000 in commissions on two fictitious contracts she claimed were worth more than \$400,000?

It was hope, irrigated by a subterranean stream of

self-interest. We all watered Rita's twisted roots for so long because we needed her to prosper. And now, in late 2011, as we stumble through the economic ruins wrought by systemic greed and self-deceit, it's a dynamic that should look familiar.

In response to an online post about her trial shortly after it ended, Rita wrote:

I know God knows the truth and I know that God has forgiven me, regardless of those who have not and will not. I am very thankful that I have only one judge in this life and it is not the media or people who are mad at me for the mistakes I have made in the past.

Rita looks to God for much the same permission that we, her enablers, offered her. But sadly, she doesn't have to look skyward. She'll find that kind of license much closer to home.

Julie Wittes Schlack

**Company names and the names of some individuals have been changed. Everything else is true.*