

Markets

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81.55 POINTS	26.46 POINTS
DOW JONES 9,343.96	NASDAQ 1,817.24
US DOLLAR € 0.8705 ▼ 0.0002	
10-YEAR TREASURY 4.08% ▼ 0.06	
MASSACHUSETTS 239.70 ▼ 2.90	

US officials oppose Iraqi electric deal

Lawmakers upset by plan to buy from Iran, Syria

By Stephen J. Glain
GLOBE STAFF

WASHINGTON — A coalition of US lawmakers urged the State Department to quash the Iraqi ruling council's decision to buy electricity from Syria and Iran, two countries on the United States' list of terrorism-exporting states. "These discussions need to end," said congressman Rahm Emanuel, an Illinois Democrat and one of 15 cosigners of a letter sent to Secretary of State Colin Powell to protest the cross-border deal.

"It's US taxpayers who are footing the bill for the reconstruction of Iraq," said the letter, which cited as its source of information on the deals a story in the Sept. 8 edition of The Boston Globe.

Muwaffak al-Rubai, a member of Iraq's interim Governing Council, said on Aug. 27 in Baghdad that Iraq's main power company was authorized to buy electricity from Turkey, Syria, and Iran to offset the country's withering power shortage. A few days later, the governor of the southern Iranian city of Mehran told Iran's official news agency that local power suppliers would provide energy to the neighboring Iraqi provinces of Wasset and Meysan.

Neither the US Department of Defense, which is running the occupation of Iraq, nor Bechtel Group, the San Francisco engineering giant that is rebuilding Iraq's electrical grid, was aware of Al-Rubai's decision at the time.

A Pentagon spokesman yesterday said it still had no word on the negotiations, or whether Iraq signed deals to buy power from Syria or Iran.

POWER, Page C2

Group buys Romney data to show ease of ID theft

By Bruce Mohl
GLOBE STAFF

A San Francisco-based consumer watchdog group yesterday highlighted the vulnerability of personal financial data by saying it had obtained Governor Mitt Romney's Social Security number for \$30, but even more detailed information was available for the right price.

For an extra \$125, the Globe purchased Romney's Trans Union credit report, with a listing of all his credit card accounts, credit card numbers, credit limits, auto leases, and payment history going back more than a year. The credit card numbers alone were enough for someone to purchase virtually anything on the Internet.

The company the Globe dealt with, Goldshield Inc., said it could also provide a listing of the governor's recent purchases on those credit cards for an additional \$225.

Jamie Court, executive director of the Foundation for Taxpayer and Consumer Rights, said the ease of access to such personal information is a major reason why identity theft is rising so rapidly.

A Federal Trade Commission survey released this month found that 27.3 million

CONSUMER PRIVACY, Page C8

Inside Today

'No call' or not 'no call'

As Congress hastens to ensure consumers can block many unwanted telemarketing calls, a second US judge rules the 'do-not-call' list violates free speech protections. **C2**

Hancock seen in serious talks

STEVE BAILEY
Downtown

Watch Hancock now. John Hancock Financial Services, one of the pillars of corporate Boston, is again in advanced stages of negotiations with a potential buyer, according to several executives familiar with those talks. We may know soon whether Hancock is a seller, as widely expected, or finds a way to get bigger by surprising and becoming a buyer. Hancock has been contacting directors in recent days to confirm their availability for a special board meeting, these same executives said.

Two scenarios:
■ Hancock as seller. By talking so long and so openly about selling the company, Hancock chief executive David D'Alessandro has all but invited bids. The leading contender to buy Hancock: Manulife Financial Corp., Canada's second-largest life insurer, according to the executives familiar with those negotiations. The Hancock brand would be just the ticket for Manulife's stated goal of a major expansion into the United States.

Two more pluses: Manulife is already building a new US headquarters, a brilliant glass building, on the South Boston Waterfront, and it already has a



John Hancock chief executive David D'Alessandro

D'Alessandro as chief executive (Dominic D'Alessandro, though no relation to Hancock's D'Alessandro).

In recent months Hancock has also talked with MetLife Inc., the second largest US life insurer, these executives said. In 1996 MetLife bought Boston's other large life insurer, New England Financial, and has substantially reduced its presence here since. In June MetLife

John Hancock Financial Services Inc.



said it was buying Hancock's group life business.

■ Hancock as a buyer. Again, Hancock has been exploring at least two opportunities, said the executives familiar with the strategy: Buying a piece of General Electric Co.'s huge insurance business (last year's revenue: \$23 billion) or Travelers Life & Annuity Co. (2002 net income: \$776 million) from giant Cit-

group Inc. In either case, Hancock would buy the insurance operations of either company by issuing new stock, giving GE or Citigroup a major stake in Hancock. Combined, GE and Hancock would be the biggest player in the country in long-term-care insurance. Careful observers noticed D'Alessandro and Citigroup chief executive Sandy Weill sitting side-by-side at Fenway in August, the last time the Yankees were in town.

Hancock's D'Alessandro has been looking hard for a deal that works. In May, The Boston Globe reported that Hancock and FleetBoston Financial had explored combining the two companies in an attempt to ensure a big Boston-based financial services player. A month later, the Globe reported that Hancock had held far more substantial discussions over eight months with Prudential Financial Inc.

Trading yesterday in Hancock's stock was about triple its usual volume, suggesting word of the new round of discussions was beginning to leak. Hancock stock closed at \$32.05, up 33 cents. Manulife's stock closed at \$31.33, down 39 cents.

Almost from the day Hancock went public in 2000, D'Alessandro has talked about the need to get bigger or sell. While Hancock is the sixth largest pub-

DOWNTOWN, Page C8



Canadian drug supplier G. Anthony Howard at a recent meeting of the Mass. Senior Action Council in Springfield. His CanaRx Services has a deal with the city to provide prescription drugs to city workers.

A retired insurance man and drug kingpin, of sorts

54-year-old CanaRx chief part salesman, part activist

By Christopher Rowland
GLOBE STAFF

As he drove across Ohio, the Canadian drug importer G. Anthony Howard revealed in his newfound outlaw status. He was riding with his son, Robert, and an associate, Joseph Todd, all participants in the drug business, all the subject of cease-and-desist letters from the US Food and Drug Administration.

What better time for the US authorities to stage an arrest, Howard wisecracked in a cellphone conversation with a reporter.

"They could get all three of us," he said cheerfully. Howard, 54, retired insurance executive, self-styled millionaire, and onetime owner of racehorses, is president of CanaRx Services Inc., an Internet-based operation that sells low-cost Canadian prescription drugs to Americans. His best-known customers are municipal employees in Springfield, whose health plan uses Canadian drugs to cut costs in defiance of the FDA.

Part traveling salesman, part social activist, Howard spends countless hours in rental cars and hotel rooms, traveling around the United States to meet with seniors and local government officials. He tells them that they are being gouged by multinational drug companies.

"The United States of America pays a ridiculous price, and the seniors carry the burden, and it's wrong," Howard, clutching a microphone, told elderly residents at a Springfield union hall recently.

This new line of work carries risks. Where he used to fill his car with Christmas gift baskets for his insurance clients, now he personally transports prescription drugs across the Detroit River into the United States, a practice the FDA says is illegal. He fears that he may someday have to stay out of the United States to avoid arrest. Anticipating potential property seizures by the US government, Howard and his wife, Gloria, recently sold their \$525,000 beachfront condo in Fort Myers, Fla.

Citing the risks of regulatory action or retaliation by drug companies, Howard is closed-mouth about many aspects of his business, including the identities of his network of Canadian doctors or pharmacies.

"I love America. I don't want to be a Canadian that can't come back here," Howard said, growing more serious in the telephone interview. "But we will not stop shipping medications to Americans. The only way that is going to happen is if I go to jail."

The FDA put Howard in its crosshairs after he signed a deal in July with Mayor Michael Albano of Springfield to provide prescription drugs from Canada to as many as 18,000 Springfield municipal employees, retirees, and family members. Albano estimates that 1,100 have signed up so far. The first municipal program of its kind, it could save Springfield \$4 million to \$9 million a year.

CANADIAN DRUGS, Page C8

Mass. home sales up

Rise in rates also lifts condos in state in Aug.

By Thomas Grillo
GLOBE CORRESPONDENT

A surge in interest rates contributed to a double-digit increase in home and condominium sales last month as potential buyers tried to secure mortgages quickly, according to data released yesterday by the Massachusetts Association of Realtors.

"Interest rates increased by one percentage point over the summer, causing would-be buyers to get off their backsides," said MAR president Peter Casey. "They feared rates would continue to escalate and wanted to lock in before that happened."

The number of single-family homes sold in August rose to 5,663, up 17.4 percent from 4,824 in August 2002. The average price for a single-family home swelled to \$393,768 last month, a 7.1 percent increase over the same month last year, when it was \$367,704.

While the price increase is a healthy gain, it's lower than the state's record price of \$414,517 in June. Realtors say the June number stemmed from a dozen luxury home sales on Cape Cod that caused the average to surge over \$400,000 for the first time.

The condominium market also saw a

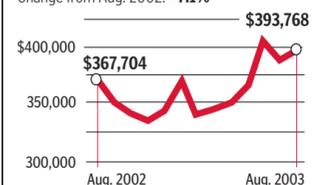
SALES, Page C2

On the market

Despite rising interest rates, single-family home sales and prices continue to surge in Massachusetts.

Average selling price

Change from July: +1.6%
Change from Aug. 2002: +7.1%



Number of sales

Change from July: +6.5%
Change from Aug. 2002: +17.4%

