

The New York Times

Late Edition

New York: Today, partly to mostly cloudy, high 53. Tonight, showers, cloudy, low 48. Tomorrow, warmer, partly sunny. High 69. Yesterday, high 53, low 38. Details, Page A18.

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NEW YORK, MONDAY, MARCH 26, 2007

ONE DOLLAR

U.S. ENVOY SAYS HE HAD MEETINGS WITH IRAQI REBELS

AN OVERTURE TO SUNNIS

Bid Stalled After Bombing of Key Shiite Shrine in '06, Officials Assert

By EDWARD WONG

BAGHDAD, March 25 — The senior American envoy in Iraq, Ambassador Zalmay Khalilzad, held talks last year with men he believed represented major insurgent groups in a drive to bring militant Sunni Arabs into politics.

"There were discussions with the representatives of various groups in the aftermath of the elections, and during the formation of the government before the Samarra incident, and some discussions afterwards as well," Mr. Khalilzad said in a farewell interview on Friday at his home inside the fortified Green Zone. He is the first American official to publicly acknowledge holding such talks.

The meetings began in early 2006 and were quite possibly the first attempts at sustained contact between senior American officials here and the Sunni Arab insurgency. Mr. Khalilzad flew to Jordan for some of the talks, which included self-identified representatives of the Islamic Army of Iraq and the 1920 Revolution Brigades, two leading nationalist factions, American and Iraqi officials said. Mr. Khalilzad declined to give details on the meetings, but other officials said the efforts had foundered by the summer, after the bombing of a revered Shiite shrine in Samarra set off waves of sectarian violence.

Mr. Khalilzad's willingness even to approach rebel groups seemed at odds with the public position of some Bush administration officials that the United States does not negotiate with insurgents. It was not clear whether he had to seek permission from Washington before engaging in these talks. In general, Mr. Khalilzad was given great flexibility in making diplomatic decisions to try to rein in the spiraling violence, and his talks with insurgents reflected the practical view of Iraqi politics that the ambassador adopted throughout his nearly two-year tenure here.

American commanders here have also said it is necessary to woo the less radical insurgent groups away from the true militants. American officials have privately acknowledged there have been some talks with in-

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Sunni Baghdad Becomes Land Of Silent Ruins

Strife and Neglect Cut Access to Life's Basics

By ALISSA J. RUBIN

BAGHDAD, March 25 — The cityscape of Iraq's capital tells a stark story of the toll the past four years have taken on Iraq's once powerful Sunni Arabs.

Their is a world of ruined buildings, damaged mosques, streets pitted by mortar shells, uncollected trash and so little electricity that many people have abandoned using refrigerators altogether.

The contrast with Shiite neighborhoods is sharp. Markets there are in full swing, community projects are under way, and while electricity is scarce throughout the city, there is less trouble finding fuel for generators in those areas. When the government cannot provide services, civilian arms of the Shiite militias step in to try to fill the gap.

But in Adhamiya, a community with a Sunni majority, any semblance of normal life vanished more than a year ago. Its only hospital, Al Numan, is so short of basic items like gauze and cotton pads that when mortar attacks hit the community last fall, the doctors broadcast appeals for supplies over local mosque loudspeakers.

Here, as in so much of Baghdad, the sectarian divide makes itself felt in its own deadly and destructive ways. Far more than in Shiite areas, sectarian hatred has shredded whatever remained of community life and created a cycle of violence that pits Sunni against Sunni as well as Sunni against Shiite.

Anyone who works with the government, whether Shiite or Sunni, is an enemy in the eyes of the Sunni insurgents, who carry out attack after attack against people they view as collaborators. While that chiefly makes targets of the Shiite-dominated Iraqi Army and the police, the militants also kill fellow Sunnis from government ministries who come to repair water and electrical lines in Sunni neighborhoods.

One result of such attacks is that government workers of either sect refuse to deliver services to most Sunni areas. For ordinary Sunnis, all this deepens the sense of political impotence and estrangement. American military leaders and Western diplomats are unsure about whether the cycle can be stopped.

"The Sunnis outside the political process say, 'What's the point of coming in when those involved in the

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Aged, Frail and Denied Care by Their Insurers



Anne Sherwood for The New York Times

Jackie Wheeler with her mother, Mary Derks, who bought a long-term-care policy from Conesco, which denied coverage.

By CHARLES DUHIGG

CONRAD, Mont. — Mary Rose Derks was a 65-year-old widow in 1990, when she began preparing for the day she could no longer care for herself. Every month, out of her grocery fund, she scrimped together about \$100 for an insurance policy that promised to pay eventually for a room in an assisted living home.

On a May afternoon in 2002, after bouts of hypertension and diabetes had hospitalized her dozens of times, Mrs. Derks reluctantly agreed that it was time. She shed a few tears, watched her family pack her favorite blankets and rode to Beehive Homes, five blocks from her daughter's farm equipment dealership.

At least, Mrs. Derks said at the time, she

GOLDEN OPPORTUNITIES

Long-Term Trouble

would not be a financial burden on her family.

But when she filed a claim with her insurer, Conesco, it said she had waited too long. Then it said Beehive Homes was not an approved facility, despite its state license. Eventually, Conesco argued that Mrs. Derks was not sufficiently infirm, despite her early-stage dementia and the 37 pills she takes each day.

After more than four years, Mrs. Derks, now 81, has yet to receive a penny from Conesco, while her family has paid about \$70,000. Her daughter has sent Conesco dozens of bulky en-

velopes and spent hours on the phone. Each time the answer is the same: Denied.

Tens of thousands of elderly Americans have received life-prolonging care as a result of their long-term-care policies. With more than eight million customers, such insurance is one of the many products that companies are pitching to older Americans reaching retirement.

Yet thousands of policyholders say they have received only excuses about why insurers will not pay. Interviews by The New York Times and confidential depositions indicate that some long-term-care insurers have developed procedures that make it difficult — if not impossi-

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G.O.P. Senators Lug Weight of War Toward '08

By JEFF ZELENY

NORTH CONWAY, N.H., March 24 — Senator John E. Sununu knows that his political future could hinge on the war in Iraq, try as he might to change the subject.

For weeks, Mr. Sununu and Republican colleagues who face re-election next year have trudged through an on-again, off-again Iraq debate in Congress. So the annual Lincoln Day Dinner that he attended here Saturday evening, with its friendly audience, might have been expected to offer a respite from the realities of Washington.

But even among the ladies and gentlemen of the Carroll County Republican Committee, more than a few of whom wore elephant neckties and broaches to celebrate the symbol of their party, the vexing issue of Iraq was the real elephant in the room.

"Nobody is happy with the way the war is going," said Richard Hickey, a certified public accountant and loyal Republican who attended the event. "It was a Republican project, so my guess is that he's in trouble. Senator Sununu has been such a big supporter of George W. Bush, the Democrats will take a good shot at him."

On Monday, the Senate resumes

its protracted struggle to forge an Iraq strategy. Mr. Sununu and a handful of Republicans — including those facing re-election next year and those who have expressed unhappiness with President Bush's conduct of the war but are uncomfortable with the idea of setting a date for withdrawal — find themselves searching for balance as they juggle three tasks: responding to the frustrations of their constituents, resisting the demands of antiwar Democrats and not entirely abandoning the White House.

"The issue is difficult for everybody," Mr. Sununu said in an interview. "My goal is to do what I can

to help get the policy right."

While the House passed legislation on Friday setting a date of Sept. 1, 2008, for most American combat troops to be withdrawn from Iraq, the Senate is considering a plan to set a goal — but no requirement — of calling troops home five months sooner, by March 31. Senate Republican leaders say they will try to remove that provision during debate this week on a \$122 billion war spending bill.

Like nearly all Republicans in Congress, Mr. Sununu said he opposed establishing a timetable. "Telling

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So You Picked the Final Four? This Mad March, Join the Club

By PETE THAMEL

What's a Final Four without a George Mason or another plucky party crasher? What's an N.C.A.A. men's basketball tournament without a little-known team that is all guile and grit and topples an elite team to capture America's heart?

What's March without the Madness?

It's, well, predictable. With top-seeded Florida and Ohio State meeting second-seeded U.C.L.A. and Georgetown next weekend in Atlanta, this will be the first Final Four since 1993 with no team seeded lower than No. 2.

Don't believe us? Last year at this time, of the 3.1 million entries in ESPN.com's bracket pool, only four chose the correct Final Four teams. This year, 161,869 of 3.3 million entries have the Gators, the Buckeyes, the Bruins and the Hoyas still alive.

"We had great parity throughout the tournament and the seeds held up," said Thomas O'Connor, the athletic director at George Mason. "There's nothing magical about it. That's what makes college basketball a fantastic game. In any given

year, you have situations like what occurred last year with us, and then you have what's happening this year."

While mathematicians are able to provide a rationale for the dearth of upsets, and while basketball coaches see a form-filled tournament as a tribute to the clairvoyance of the committee members who selected the field, casual fans are left searching for that unheralded team to identify with. Instead, they have been given a steady diet of unlikely comebacks and thrilling overtime games.

"When they seeded this thing, they

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John Sommers II/Reuters

Joakim Noah and Florida, a No. 1 seed, are back in the Final Four.

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Failing Schools See a Solution In Longer Day



Erik Jacobs for The New York Times

For Ovadia Simha, 7, at Dr. Martin Luther King Jr. School in Cambridge, Mass., an eight-hour day.

By DIANA JEAN SCHEMO

FALL RIVER, Mass. — States and school districts nationwide are moving to lengthen the day at struggling schools, spurred by grim test results suggesting that more than 10,000 schools are likely to be declared failing under federal law next year.

In Massachusetts, in the forefront of the movement, Gov. Deval L. Patrick is allocating \$6.5 million this year for longer days and can barely keep pace with demand: 84 schools have expressed interest.

Gov. Eliot Spitzer of New York has proposed an extended day as one of five options for his state's troubled schools, part of a \$7 billion increase in spending on education over the next four years — apart from the 37 minutes of extra tutoring that children in some city schools already receive four times a week.

And Gov. M. Jodi Reil of Connecticut is proposing to lengthen the day at persistently failing schools as part of a push to raise state spending on education by \$1 billion.

"In 15 years, I'd be very surprised if the old school calendar still dominates in urban settings," said Mark Roosevelt, superintendent of schools in Pittsburgh, which has added 45 minutes a day at eight of its lowest-performing schools and 10 more days to their academic year.

But the movement, which has expanded the day in some schools by as little as 30 minutes or as much as two hours, has many critics: among administrators, who worry about the

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Ashley Gilbertson for The New York Times

Zalmay Khalilzad, the departing ambassador, in Baghdad yesterday.

INSIDE

Poor Behavior Is Linked To Time in Day Care

A report from the largest, longest-running study of American child care has found that keeping a preschooler in a day care center a year or more increased the likelihood that the child would become disruptive in class — and that the effect persisted through sixth grade. The finding held up regardless of the child's sex or family income, or the quality of the day care center. PAGE A14

Dispute Over Legal Roles

As American officials prepare for the reopening of the military commissions that will try some of the detainees being held at Guantánamo Bay, Cuba, a dispute over the proper role of military defense lawyers in the planned war crimes trials is intensifying. PAGE A12

Fight Over Surveillance Files

Lawyers for New York City have told a court that records of police surveillance leading up to the 2004 Republican convention, which included operations in several cities, should remain under seal. PAGE B1

More on Edwards Diagnosis

Elizabeth Edwards, the wife of John Edwards, elaborated on her cancer diagnosis, saying the disease had spread to her hip. PAGE A19

The Music Album as Relic

Music labels are trying to entice listeners to buy full albums rather than individual songs. BUSINESS DAY

A Shift in Palestinian Goals

Palestinians have long demanded the right to return to the homes they left in the 1948 fighting that led to Israel's creation. But now many of them say that as much as they want Israel to recognize their right to do so, they do not think that they would actually return to the lands their families left. PAGE A11



Peter Wynn Thompson for The New York Times

In Chicago, the El Is Ailing

Chicagoans are confronting the possibility that the city's century-old, and deteriorating, elevated train system may be at a breaking point. PAGE A12

The New York Times

Late Edition

New York: Today: early rain, much milder, high 73. Tonight, periods of rain, cloudy, low 55. Tomorrow, sunny, seasonable, high 70. Yesterday, high 57, low 51. Details are on Page 29.

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\$5 beyond the greater New York metropolitan area.

\$3.50

Illegal Migrants Dissect Details Of Senate Deal

Hopes and Worries Mix as Fine Print Is Read

By RANDAL C. ARCHIBOLD and JULIA PRESTON

TUCSON, May 19 — Under the shade of a mesquite tree here one morning this week, waiting for work that did not come, Elias Ramirez weighed the hurdles of what could be the biggest overhaul in immigration law in two decades.

To become full legal residents, under a compromise Senate leaders announced Thursday, Mr. Ramirez and other illegal immigrants would have to pay a total of \$5,000 in fines, more than 14 times the typical weekly earnings on the streets here, return to their home countries at least once, and wait as long as eight years. During the wait, they would have limited possibilities to bring other family members.

"Well, it sounds difficult, but not impossible," said Mr. Ramirez, 24, a native of Chiapas, Mexico, who has been here a year. "I would like to be here legally in the future, so these things are what I might have to do."

Another man among the group gathered outside a church here that serves as a hiring site for day laborers overheard Mr. Ramirez and approached with disdain.

"It's almost impossible to bring your family," he said, rattling off information he had gleaned from a Spanish-language newspaper. "You have to go back first, and what are you going to do in Mexico while you are there and there is no work? I've been here 20 years and I still work and support my family, so why would I do any of these things?"

The compromise bill has offered a glimmer of hope to illegal immigrants here, 60 miles from the border, and elsewhere. But they and others, through news reports, advocates and lawyers, are just now learning the fine print.

Advocacy groups here said they would lobby lawmakers to reject the bill, saying it would place onerous restrictions on illegal workers who want to win legal status and also hurt efforts to unify immigrant families.

"This is an unprecedented shift from family unity being the corner-

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Clinton Moved Wal-Mart Board, But Only So Far

By MICHAEL BARBARO

In 1986, Sam Walton, the founder of Wal-Mart, had a problem. He was under growing pressure from shareholders — and his wife, Helen — to appoint a woman to the company's 15-member board of directors.

So Mr. Walton turned to a young lawyer who just happened to be married to the governor of Arkansas, where Wal-Mart is based: Hillary Rodham Clinton.

Mrs. Clinton's six-year tenure as a director of Wal-Mart, the nation's largest company, remains a little known chapter in her closely scrutinized career. And it is little known for a reason. Mrs. Clinton rarely, if ever, discusses it, leaving her board membership out of her speeches and off her campaign Web site.

Fellow board members and company executives, who have not spoken publicly about her role at Wal-Mart, say Mrs. Clinton used her position to champion personal causes, like the need for more women in management and a comprehensive environmental program, despite being Wal-Mart's only female director, the youngest and arguably the least experienced in business. On other topics, like Wal-Mart's vehement anti-unionism, for example, she was largely silent, they said.

Her years on the Wal-Mart board, from 1986 to 1992, gave her an unusual tutorial in the ways of American business — a credential that

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Updated news: nytimes.com

CITY STREETS TO COUNTRY MEADOWS Give to the Fresh Air Fund. Visit www.freshair.org —ADVT.



Richard Guthrie, 92, was tricked into giving banking data to telephone callers, who then stole money from his account, investigators say.

Bilking the Elderly, With a Corporate Assist

By CHARLES DUHIGG

The thieves operated from small offices in Toronto and hangar-size rooms in India. Every night, working from lists of names and phone numbers, they called World War II veterans, retired schoolteachers and thousands of other elderly Americans and posed as government and insurance workers updating their files.

Then, the criminals emptied their victims' bank accounts.

Richard Guthrie, a 92-year-old Army veteran, was one of those victims. He ended up on scam artists' lists because his name, like millions of others, was sold by large companies to telemarketing criminals, who then turned to

GOLDEN OPPORTUNITIES A Blind Eye to Fraud

major banks to steal his life's savings.

Mr. Guthrie, who lives in Iowa, had entered a few sweepstakes that caused his name to appear in a database advertised by infoUSA, one of the largest compilers of consumer information. InfoUSA sold his name, and data on scores of other elderly Americans, to known lawbreakers, regulators say.

InfoUSA advertised lists of "Elderly Opportunity Seekers," 3.3 million older people "looking for ways to make money," and "Suffering Seniors," 4.7 million people with cancer or Alzheimer's disease. "Oldies but Goodies" contained 500,000 gamblers over 55 years old, for 8.5 cents apiece. One list said: "These people are gullible. They want to believe that their luck can change."

As Mr. Guthrie sat home alone — surrounded by his Purple Heart medal, photos of eight children and mementos of a wife who was buried nine years earlier — the telephone rang day and night. After criminals tricked

These three databases, with a combined 4.7 million names, are among many currently for sale for as little as 6.5 cents a name.

Suffering Seniors is the perfect list for mailers targeting the ailing elderly who will be most responsive.

These people are gullible. They want to believe that their luck can change and it's just a matter of catching a bit of star dust.

Incredibly gullible, these buyers responded to a number of different offers costing anywhere from \$40 to \$80 dollars that promised them big riches from following some simple money making plan.

The New York Times

him into revealing his banking information, they went to Wachovia, the nation's fourth-largest bank, and raided his account, according to banking records.

"I loved getting those calls," Mr. Guthrie said in an interview. "Since my wife passed away, I don't have many people to talk with. I didn't even know they were stealing from me until everything was gone."

Telemarketing fraud, once limited to small-time thieves, has become a global criminal enterprise preying upon millions of elderly and other Americans every year, authorities say. Vast databases of names and personal information, sold to thieves by large publicly

traded companies, have put almost anyone within reach of fraudulent telemarketers. And major banks have made it possible for criminals to dip into victims' accounts without their authorization, according to court records.

The banks and companies that sell such services often confront evidence that they are used for fraud, according to thousands of banking documents, court filings and e-mail messages reviewed by The New York Times.

Although some companies, including Wachovia, have made refunds to victims who

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INSIDE

Israel Hits Cell in Gaza; Factional Fighting Persists

The Israeli Army struck a Palestinian rocket-launching cell near Beit Hanoun in the northern Gaza Strip. Inside Gaza, factional fighting between Hamas and Fatah entered its second week. PAGE 14

Disguised Men Kill 15 in Iraq

Men in Iraqi Army uniforms shot 15 Shiite Kurds to death in the streets of an eastern Iraqi village, government officials said. PAGE 12

Exit, Stage Right?

It's been a hard week for conservatives, but the right has bounced back before. WEEK IN REVIEW

The Senate Immigration Deal

An editorial on the good, the bad and the awful parts. OPINION PAGES

Eco-Tecture

A special issue focuses on design and building with the environment in mind and includes Web-only features. MAGAZINE

At the Wire, A Bid Denied

Curlin (4), ridden by Robby Albarado, edged the Kentucky Derby winner, Street Sense, with Calvin Borel aboard, at the wire to win the Preakness Stakes. For the 29th consecutive year, there will be no Triple Crown winner. SPORTSSUNDAY



Al Behrman/Associated Press

Calaveras Frog Schism

A squabble over money at the Calaveras County Fair and Jumping Frog Jubilee in Northern California has resulted in dueling competitions this year. PAGE 21

The Hippie Brand

On its 40th anniversary, the Summer of Love has solidified into a marketing brand with a single, youthful image. ARTS & LEISURE

Travel

The New York Times Style Magazine charts summer's coolest places, from Cartagena to Istanbul to Tokyo. Also: The island of Lampedusa, Italy, with an original short film at nytimes.com/travelmagazine.

Africa's Storied Colleges, Jammed and Crumbling

By LYDIA POLGREEN

DAKAR, Senegal, May 19 — Thiary Dior usually rises before dawn, tiptoeing carefully among thin foam mats laid out on the floor as she leaves the cramped dormitory where she shares with half a dozen other women. It was built for two.

In the vast auditorium at the law school at Cheikh Anta Diop University, she secures a seat two rows from the front, two hours before class. If she sat too far back, she would not hear the professor's lecture over the two tinny speakers, and would be more likely to join the 70 percent who fail their first- or second-year exams at the university.

Those who arrive later perch on cinderblocks in the aisles, or strain to hear from the gallery above. By the time class starts, 2,000 young bodies crowd the room in a muffled din of shuffling paper, throat clearing and jostling. Outside, dozens of students, early arrivals for the next class, mill about noisily.

"I cannot say really we are all learning, but we are trying," said Ms. Dior. "We are too many students."

Africa's best universities, the grand institutions that educated a revolutionary generation of nation builders and statesmen, doctors and engineers, writers and intellectuals, are collapsing. It is partly a self-inflicted crisis of mismanagement and neglect, but it is also a result of international development policies that for decades have favored basic education over higher learning even as a population explosion propels



Ruth Fremson/The New York Times

A chemistry student in Dakar measures liquids with a broken cylinder. Inadequate equipment is the norm at Africa's ailing universities.

more young people than ever toward the already strained institutions.

The decrepitude is forcing the best and brightest from countries across Africa to seek their education and fortunes abroad and depriving dozens of nations of the homegrown expertise that could lift millions out of poverty.

The Commission for Africa, a British government research organization, said in a 2005 report that Afri-

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can universities were in a "state of crisis" and were failing to produce the professionals desperately needed to develop the poorest continent. Far from being a tool of social mobility, the repository of a nation's hopes for the future, Africa's universities have instead become warehouses for a generation of young people for whom society has little use and who can expect to be just as poor as their uneducated parents.

"Without universities there is no hope of progress, but they have been allowed to crumble," said Penda Mbow, a historian and labor activist

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The New York Times

Late Edition

New York: Today, sunny, less humid and breezy, high 81. Tonight, clear, patchy fog late, low 62. Tomorrow, sunny, very pleasant, high 81. Weather map, Page 32.

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NEW YORK, SUNDAY, SEPTEMBER 23, 2007

\$5 beyond the greater New York metropolitan area.

\$4.00

As Clinton Solidifies Edge, G.O.P. Field Is Wide Open

In Democratic Race, Rivals Are Turning More Aggressive

By ADAM NAGOURNEY and JEFF ZELENY

WASHINGTON, Sept. 22 — Senator Hillary Rodham Clinton has consolidated her early lead in the Democratic presidential contest, showing steady strength as the candidates head toward the first voting early next year.

She has been challenged for fund-raising supremacy and news media attention by Senator Barack Obama of Illinois. Former Senator John Edwards of North Carolina beat her to the punch in introducing big policy proposals. But nothing that her main rivals have done so far has derailed Mrs. Clinton, leading them to begin rolling out aggressive new strategies aimed primarily at her, including courting black voters in South Carolina and stepping up attacks.

She has maintained solid leads in most national polls. And while polls in early voting states like Iowa and New Hampshire are of limited value in predicting the outcome, they too show her more than holding her own entering the period in which primary voters begin to make up their minds.

"I think they've run a great campaign," David Axelrod, Mr. Obama's senior adviser, said of Mrs. Clinton, of New York. "She's been a very disciplined candidate. They've been deft in trying to get ahead of this tidal wave of people out there who really want change. They are doing the best they can with it."

But Mr. Axelrod, pointing to what he saw as Mrs. Clinton's foremost vulnerability, said:

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Republican Hopefuls Take Varying Paths in a Fluid Race

By MICHAEL COOPER and MICHAEL LUO

The race for the Republican presidential nomination remains remarkably fluid, with important constituencies like evangelical voters having yet to settle on a candidate, and the late entrance of former Senator Fred D. Thompson generating little excitement.

With the state of play so unsettled and Republicans still grappling with the political implications of the Iraq war and President Bush's weakness, the leading contenders are plotting out strikingly different road maps to the nomination.

Mitt Romney's senior advisers met recently in Boston to present him with a blueprint for the next four months centered on what some call a kindling strategy — the belief that early victories in places like Iowa, Michigan and New Hampshire will make him impossible to stop by Feb. 5, when a crush of other states vote at once. He has spent heavily on advertising and building field operations in the early states, gambling that he will have enough money to hold off later onslaughts by competitors who have so far spent more sparingly.

The Thompson campaign, by contrast, starts from the premise that the unsettled early primary season and the lack of a clear front-runner have created a chaotic race that they can capitalize on, despite a bumpy start that left some Republicans wondering if Mr. Thompson was fully prepared and engaged. Theirs is a

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At Many Homes, More Profit and Less Nursing

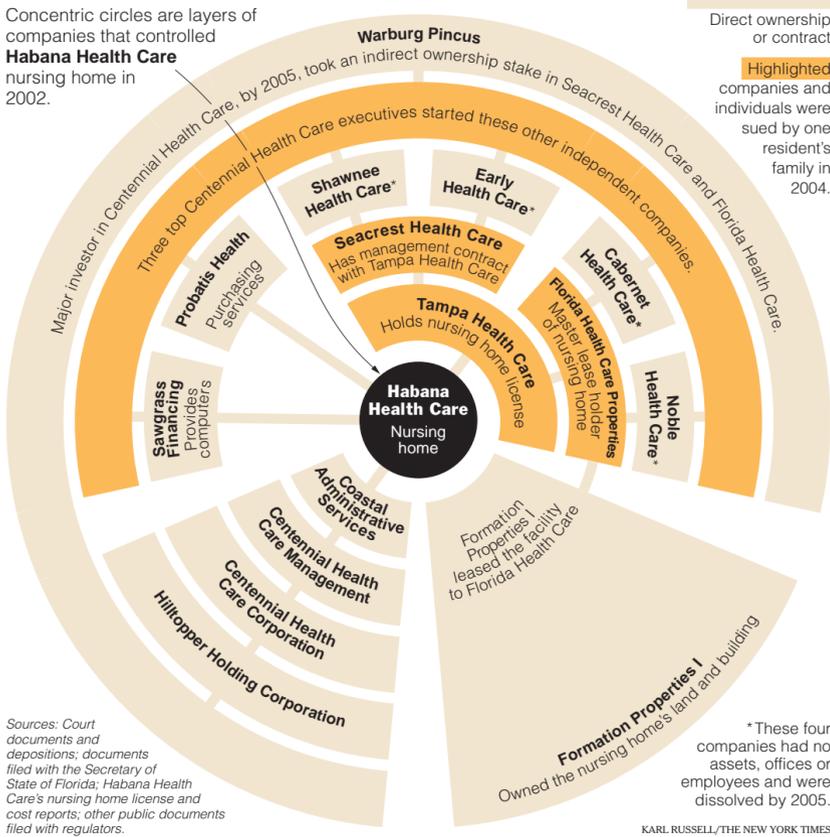
Insulated From Lawsuits, Private Investors Cut Costs and Staff



Alice Garcia, with her granddaughter Jacquelyn Hewitt in 1995. Mrs. Garcia, who had Alzheimer's disease, died in 2003 after a bed-sore became infected at Habana Health Care Center in Tampa, Fla.

LAYERS OF OWNERSHIP Formation Properties purchased the Habana Health Care Center and 48 other Florida nursing homes in 2002 and leased the facilities to executives backed by Warburg Pincus. Those executives created a complex corporate structure around each nursing home. As a result, many profits were shielded from lawsuits.

Concentric circles are layers of companies that controlled Habana Health Care nursing home in 2002.



CONNECTING LINES

Direct ownership or contract companies and individuals were sued by one resident's family in 2004.

By CHARLES DUHIGG

Habana Health Care Center, a 150-bed nursing home in Tampa, Fla., was struggling when a group of large private investment firms purchased it and 48 other nursing homes in 2002.

The facility's managers quickly cut costs. Within months, the number of clinical registered nurses at the home was half what it had been a year earlier, records collected by the Centers for Medicare and Medicaid Services indicate. Budgets for nursing supplies, resident activities and other services also fell, according to Florida's Agency for Health Care Administration.

The investors and operators were soon earning millions of dollars a year from their 49 homes.

Residents fared less well. Over three years, 15 at Habana died from what their families contend was negligent care in lawsuits filed in state court. Regulators repeatedly warned the home that staff levels were below mandatory minimums. When regulators visited, they found malfunctioning fire doors, unhygienic kitchens and a resident using a leg brace that was broken.

"They've created a hellhole," said Vivian Hewitt, who sued Habana in 2004 when her mother died after a large bed sore be-

GOLDEN OPPORTUNITIES

A Lucrative Maze

came infected by feces.

Habana is one of thousands of nursing homes across the nation that large Wall Street investment companies have bought or agreed to acquire in recent years.

Those investors include prominent private equity firms like Warburg Pincus and the Carlyle Group, better known for buying companies like Dunkin' Donuts.

As such investors have acquired nursing homes, they have often reduced costs, increased profits and quickly resold facilities for significant gains.

But by many regulatory benchmarks, residents at those nursing homes are worse off, on average, than they were under previous owners, according to an analysis by The New York Times of data collected by government agen-

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Nuance and Resolve in Rulings By Attorney General Nominee

By ADAM LIPTAK

In his 18 years on the federal bench, Judge Michael B. Mukasey issued more than 1,500 decisions concerning matters as cataclysmic as the Holocaust and as mundane as milk, beer and cigarettes.

In his opinions, Judge Mukasey comes across as fiercely intelligent, prickly, impatient, practical and suspicious of abstractions.

He was quick to chastise and impose sanctions on lawyers who tested his patience or, much worse, lied to him. He did not hesitate to rule against the powerful, including President Bush's uncle, or people with sympathetic cases but no claim to legal relief. His decisions often crackled with an acerbic and sometimes aphoristic wit.

He was tough at sentencing but not uniformly so. He showed

leniency to people convicted of immigration offenses but little mercy to white collar criminals.

Judge Mukasey's opinions reveal a temperament and legal philosophy more complex than the one suggested by the handful of terrorism cases that prompted his nomination last week for attorney general.

In those cases, Judge Mukasey was largely unyielding. And he showed little sympathy to people held as material witnesses after the Sept. 11 attacks.

But overall, Judge Mukasey's median sentence was 24 months, compared with the 18-month median sentence imposed by the more than 70 other judges who sat with him on the Federal District Court in Manhattan from 1988 to 2006, according to statis-

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Security Firm Faces Criminal Charges in Iraq

By JAMES GLANZ and SABRINA TAVERNISE

BAGHDAD, Sept. 22 — The Iraqi government said Saturday that it expects to refer criminal charges to its courts within days in connection with a shooting here by a private American security company, and the Interior Ministry gave new details of six other episodes it is investigating involving the company.

The state minister for national security affairs, Shirwan al-Waili, said the government had received little information from the

American side in the early days of a joint investigation of the shooting, which involved the company Blackwater USA and left at least eight Iraqis dead. But he said that the Iraqi investigation was largely completed and that he believed the findings were definitive. "The shots fired on the Iraqis were unjustifiable," he said. "It was harsh and horrible."

Although Mr. Waili did not spell out what the investigative committee would recommend to the criminal court, a preliminary report of findings by the Interior Ministry, the National Security

Ministry and the Defense Ministry stated that "the murder of citizens in cold blood in the Nisour area by Blackwater is considered a terrorist action against civilians just like any other terrorist operation."

"The criminals will be referred to the Iraqi court system," it said.

The spokesman for the Interior Ministry, Maj. Gen. Abdul Karim Khalaf, also laid out previous episodes involving Blackwater this year in which he said a total of 10 Iraqis had been killed and 15 wounded. The company would not comment on those incidents on Saturday.

The details came as Prime Minister Nuri al-Maliki was at the United Nations to meet with Secretary of State Condoleezza Rice and other officials to discuss Iraqi security and other issues. [Page 14.] The Iraqi government has already demanded that Blackwater, which handles security for diplomatic personnel, be banned from working in Iraq, and the broadening investigation is sure to pull the Iraqis and their American supporters even further apart.

Blackwater may also face investigation on another front: The News and Observer newspaper in Raleigh, N.C., reported that United States federal investigators were looking into whether the company shipped unlicensed automatic weapons and military

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Welcome or Not, Orthodoxy Is Back in Russia's Public Schools

By CLIFFORD J. LEVY

KOLOMNA, Russia — One of the most discordant debates in Russian society is playing out in public schools like those in this city not far from Moscow, where the other day a teacher named Irina Donshina set aside her textbooks, strode before her second graders and, as if speaking from a pulpit, posed a simple question: "Whom should we learn to do good from?"

"From God!" the children said. "Right!" Ms. Donshina said. "Because people he created crucified him. But did he accuse them or curse them or hate them? Of course not! He continued loving and feeling pity for them, though he could have eliminated all of us and the whole world in a fraction of a second."

Nearly two decades after the collapse of the Soviet Union and the return of religion to public life, localities in Russia are increasingly decreeing that to receive a proper public school education, children should be steeped in the ways of the Russian Orthodox Church, including its traditions, liturgy and historic figures.

The lessons are typically introduced at the urging of church leaders, who say the enforced atheism of Communism left Rus-



SERGEI KIVRIN FOR THE NEW YORK TIMES

The Rev. Vladimir Pakhachev, the Russian Orthodox leader in Kolomna, helps guide curriculum.

sians out of touch with a faith that was once at the core of their identity.

The new curriculum reflects the nation's continuing struggle to define what it means to be Russian in the post-Communist era and what role religion should play after being brutally suppressed under Soviet rule. Yet the drive by a revitalized church

to weave its tenets into the education system has prompted a backlash, and not only from the remains of the Communist Party.

Opponents assert that the Russian Orthodox leadership is weakening the constitutional separation of church and state by proselytizing in public schools. They say Russia is a multiethnic, pluralistic nation and risks alien-

ating its large Muslim minority if Russian Orthodoxy takes on the trappings of a state religion.

The church calls those accusations unfounded, maintaining that the courses are cultural, not religious.

In Ms. Donshina's class at least, the children seem to have their own understanding of a pri-

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\$50 Billion Increase Is Sought for Military

The Bush administration plans to increase its 2008 request for money for military operations in Iraq, Afghanistan and elsewhere by almost \$50 billion, much of it for armored trucks built to withstand roadside bombs, Pentagon officials say.

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Fall Travel

Dynamic destinations, from Mumbai, India's city of extremes, to the ultra-cool Goteborg, Sweden, and the newly fashionable Washington, D.C., are explored.

Fund-Raiser's Bitter Legacy

Before Norman Hsu became a controversial figure in American political fund-raising, he had a tangled business history in Hong Kong, where investors remain bitter about him.

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Television: The New Season

Alessandra Stanley explores what your favorite shows say about you, and Tina Fey talks about surviving low ratings to win an Emmy and a second season for "30 Rock."

ARTS & LEISURE

Ex-President Flown to Peru

Peru's former president, Alberto Fujimori, was flown back from Chile to face human rights and corruption charges.

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Pardon Poor Larry Craig

Frank Did He Do Wrong? What Rich on Why Larry Craig should be saved.

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