FREE

TUESDAY, DECEMBER 31, 2002 Volume 2, Issue 41

Santa Monica Daily Press

A newspaper with issues

Top stories of 2002 put city in national spotlight

(Editor's note: For many Americans, 2002 can be marked down as a year to forget. More bad news than good surrounded the days' topics. However, some positive things came to pass. Today's edition almost entirely focuses on the trials and tribulations of the past year so we can reflect on the last 365 days and perhaps gain insight into the future.)

By Daily Press staff

Santa Monica in 2002 was a year of what could have been. What didn't happen will likely have implications during the next year. If anything is for certain is that some of this year's top stories made national headlines and once again put Santa Monica on the map, solidifying its reputation as a city with progressive and ideological agendas.

What didn't happen was the hotly contested living wage ordinance being approved by voters. The debate was watched by observers around the country mostly because the living wage proposal was the first law of its kind.

A tax increase to fund the financially faltering school district didn't happen either, which surprised most officials and administrators. But earlier this year, voters approved hundreds of millions of dollars in new taxes to fund the local community college.

No new blood was elected into office, despite a faction of the population who said Santa Monica needed new representation. However, while three city council incumbents were re-elected into office, a new mayor was appointed.

Crime seemed to be on the rise this year in Santa Monica, at least as far as people killing each other — or trying to. Homicides increased, as well as attempted murders.

Increased gang activity on the eastside of town prompted local police to beef up its enforcement there and bring in a helicopter from another city to patrol from the sky.

The Santa Monica City Council exuded some "tough love" onto the city's homeless population by passing laws that prevent them from sleeping in front of businesses and attaching free food programs to social services. Those laws are now being used as a model for other municipalities.

The weak economy on the national, state and local level has most people living here concerned about the future — both with their private finances, as well as with the city and school district budgets, which are millions of dollars short.

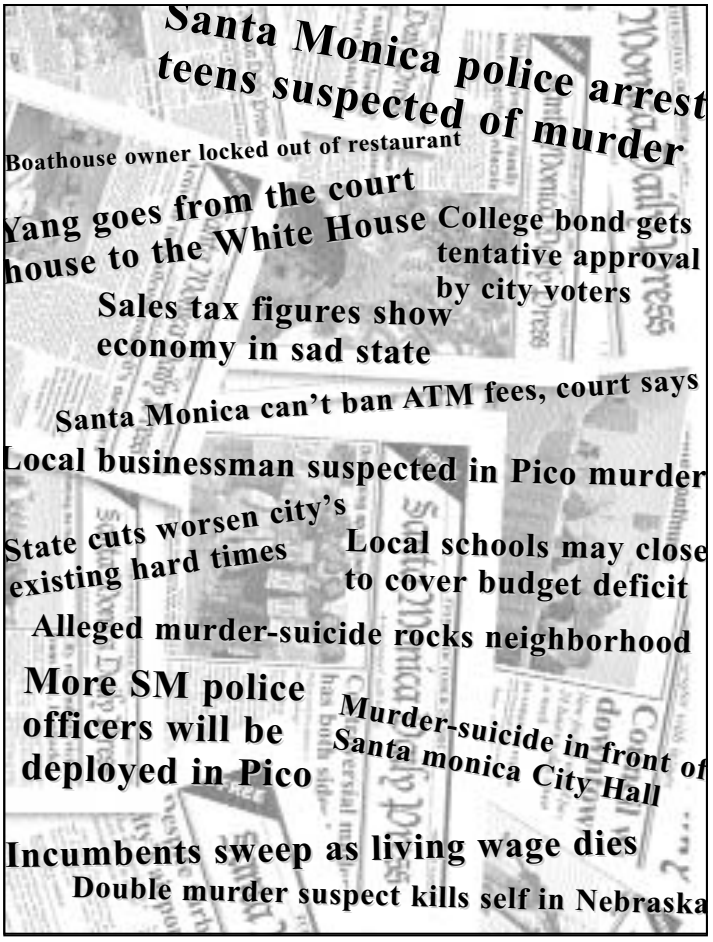
A 50-year-old Santa Monica Pier institution sank to make way for a new chain restaurant and one of Santa Monica's own was named the new U.S. Attorney for Los Angeles, working directly with President George W. Bush.

The city lost a three-year battle with the banking industry when it tried to ban ATM fees, claiming the big banks were ripping off customers.

Here's a list of the top stories of 2002:

- Living wage defeated
- School district braces for financial unrest
- Weak economy creates uneasiness
- Homicides on the rise
- Homeless get dose of tough love
- Gang activity on eastside flares up
- Millions infused into community college
- Yang heads for the White House
- Boathouse walks the plank
- City loses battle with banks
- Status quo for local politics

See YEAR REVIEW, page 6



Santa Monica police warn of New Year's Eve gunfire

By Daily Press staff

You had better duck and cover when the clock strikes midnight on New Year's, or you could be killed with a stray bullet.

The ritual of shooting firearms on New Year's Eve may have started in Mexico, but it has moved into the Los Angeles area in the last decade, as well as across the country.

"It's outrageous and it shouldn't be," said LAPD spokesman Jack Richter. "It's just stupid."

Dozens of people die each year from stray bullets and authorities this week warned against firing guns into the air, saying such acts would be prosecuted to the fullest extent of the law.

"It's a problem in Los Angeles County," said Santa Monica Police Lt. Frank Fabrega. "But people are adhering to the new laws and last year was a dramatic improvement from the year before."

Stray bullets kill and injure innocent people each year. Discharging a firearm into the air is a felony and punishable by one year in state prison. If someone dies as a result of the bullet, the shooter will be charged with murder.

Researchers report that a bullet fired into the air can

See GUNFIRE, page 7

Terrorists, sniper attacks, pending war made for an unnerving year

BY DAVID CRARY
AP National Writer

Month after month, for all too many Americans, 2002 was the year of living anxiously.

Fears of terrorism lingered, then intensified toward year's end as bombers slaughtered holiday-makers overseas and the FBI warned vaguely of "spectacular attacks" at home. War with Iraq seemed close at hand, its consequences unforeseeable.

Deadly sniper fire terrified millions living near the nation's capital, spreading jitters through schoolyards and shopping malls.

Across the country, child abductions, mass layoffs and a topsy-turvy stock market worsened the collective uneasiness. Sex abuse and corruption scandals eroded trust in religious and corporate leaders.

See ANXIETY, page 9

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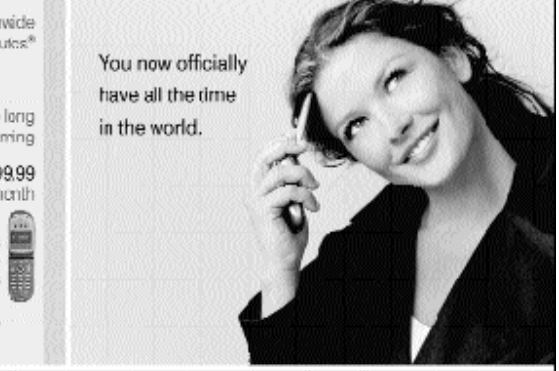
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JACQUELINE BIGAR'S STARS

The stars show the kind of day you'll have:

★★★★★-Dynamic ★★★★-Positive ★★★-Average
★★-So-so ★-Difficult

ARIES (March 21-April 19)
★★★★★ You won't need to make an extra effort in order to enjoy the next few days. You're ready to close out the year in great form. An unanticipated invitation or response from a friend could cause second thoughts about plans. Tonight: Start the celebrations.

TAURUS (April 20-May 20)
★★★★★ A partner sorely needs your support, but you just might not be willing to give it in the way he or she desires. Rather than cause a snafu in your emotional life, why not have a long-overdue conversation? Start the new year with a grin. Tonight: Keep it low-key.

GEMINI (May 21-June 20)
★★★★★ Others cannot imagine starting the new year without your presence. Accept an invitation, even if it is last-minute. Once you put on your dancing shoes, you might be difficult to stop. Christen your new year in your effervescent style. Tonight: Let the party go on.

CANCER (June 21-July 22)
★★★★ Handle some last-minute details involving your plans for the day. You also might be the person who decides to throw the party or get-together with others. Add laughter. Start the new year by clearing out a problem. Tonight: You don't have to go far.

LEO (July 23-Aug. 22)
★★★★★ Keep reaching out for never-never land. Play out a fantasy or opt to do something very fun. End the last day of the year light and easy. You do need to reach out for others you care about. Consider yourself the cheerleader this New Year's Eve. Tonight: Play away.

VIRGO (Aug. 23-Sept. 22)
★★★★ Reach out for those around you, making the most out of the fact that many are home. Though you might not be in the mood for a full-scale celebration, you do enjoy the celebratory mood of your friends and loved ones. Tonight: The party is at your house.

LIBRA (Sept. 23-Oct. 22)
★★★★ Reach out for loved ones, and make sure others have holiday plans. You don't have to go far or do much, but staying in touch with others works well for you. Expect some last-minute changes. Others pop in and check on you. Tonight: Out and about.

SCORPIO (Oct. 23-Nov. 21)
★★★★★ Visualize more of what you desire, and start putting it into action this very moment. Take a stand. Be a leader. Zero in on what you want. Fun surrounds this holiday if you start acting on your resolutions. Tonight: Leader of the gang.

SAGITTARIUS (Nov. 22-Dec. 21)
★★★★★ The Moon glows in your sign this New Year's Eve, making anything possible. Now, what would make you happy? Aim for just that, inviting friends and loved ones along on your particular mission. You're the main player right now. Tonight: As you like it.

CAPRICORN (Dec. 22-Jan. 19)
★★★ Realize when you've had enough, and just say so. If you feel like it, cancel New Year's Eve plans. For once, do what you want, not what everyone expects. You'll find that someone else has similar feelings. Go for a big pajama party. Tonight: Vanish happily.

AQUARIUS (Jan. 20-Feb. 18)
★★★★★ Friends won't let you alone, and you'll have a great time wherever you are. Christen the new year where you most like to be: around your friends. Whether throwing a party or going to one, you're all smiles. A relationship heats up. Tonight: Where the gang is.

PISCES (Feb. 19-March 20)
★★★★ Be imaginative when dealing with parents and loved ones. Perhaps instead of deciding what might please you, consider doing something for your immediate family that could make a difference. Invite them over for a family night. Tonight: A force to behold.

QUOTE of the DAY

"California is a great place to live ... if you are an orange."
— Fred Allen *(1894-1956)*

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Laurance Vernon 'Pete' Barrett: 1922-2002

By Daily Press staff



Laurance Vernon 'Pete' Barrett

Pete was born on Jan. 10, 1922 to a Colorado family of modest financial means. They grew much of their own food, canning it and saving it for the harsh winters. They never thought of themselves as poor, but instead rich in family, friends and moral values.

Pete enlisted in the Army in 1940, serving in combat in the South Pacific. After the war he made his home in Santa Monica. He married Donna June Gillette in 1942 and together they raised five boys.

He was never afraid of life and approached everything he ever did with an absolute confidence in his success.

In 1946, with only a toolbox and bus tokens, he founded Barrett's Appliances, which grew over the years into a successful landmark Santa Monica business that today is in its 56th year with the same family ownership.

Pete's hobby was boxing and in the early 1960's he founded a private boxing gymnasium known as the Santa Monica Athletic Club. Throughout the '70s and '80s, he was legendary to those who knew him for his superior boxing and general athletic skills.

Pete married Mary Susan Jiminez in 1979 and they enjoyed more than 23 years of devotion to one another. Together they were known in the Santa Monica community as a team in their far-reaching involvement with charitable organizations and special causes. These included Santa Monica College, California Heritage Museum, the Boys & Girls Clubs of Santa Monica, the Salvation Army, the NCCJ and many others. His "Pete Barrett Open" golf tournament raised money for many years for the Santa Monica Kiwanis Club and various other youth charities.

He and Susan were able to enjoy extensive travel, visiting many parts of the world. They loved golfing, both together and with good friends.

Pete is survived by a legion of friends and by his family members, including his loving wife Susan, sons Pat of Santa Monica and Tim of Monterey; his brother Bill Kendrick and sister Anne Place of Colorado, along with six grandchildren.

He was successful in all of his endeavors and enjoyed life to the fullest. Truly inspirational to his loving family and friends, he will be remembered fondly and missed by all.

A memorial service and mass will be held at St. Monica's Church in Santa Monica on Jan. 8, 2003 at 4 p.m. Immediately following the services, the family will receive guests in the Parish Hall. In lieu of flowers, the family has requested that any donations be made to the Boys & Girls Clubs of Santa Monica or the Santa Monica College Foundation Scholarship Fund.

surf report

Information compiled by Jesse Haley

The last surfing day of 2002 will be average at best.

West-northwest wind swell generates decent size at exposed breaks. Expect waist- to chest-high sets with good consistency.

Unfortunately, conditions have been windy in the Santa Monica Bay. San Diego is seeing cleaner surf, with better shape and more size, consistently overhead at good breaks.

But L.A. County will get some fun waves today.

We're expecting less size today, with remnant wind swell fading fast.

New northwest swell is on the horizon, but we probably won't see results until after the new year.

Rumor of the day: I heard a kid from Manhattan Beach say Pratte's reef is going to be all-time today.

Today's Tides:

High-	6:07 a.m.	6.09'
Low-	1:27 p.m.	-0.63'
High-	7:40 p.m.	3.64'

Location	Tuesday	Wednesday	Water Quality
County Line	2-3'/Poor	2-3'/Poor	Not available
Zuma	2-3'/Poor	2-3'/Poor	Not available
Surfrider	1-2'/Poor	1-2'/Poor	D
Topanga	1-3'/Fair	1-3'/Fair	A
Breakwater	2-3'/Poor	2-3'/Poor	A
El Porto	2-3'/Poor	2-3'/Poor	A

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The Q Line

The New Year is a time for renewal, change and introspection. A few weeks ago, Q-line asked what you thought Santa Monica's political leaders should focus on in 2003, but now we want to hear what the citizens have in mind for themselves

So this week, Q-line asks:

"What resolutions or changes will you make in your life for 2003?"

Call (310) 285-8106 with your response before Thursday at 5 p.m. We'll print it in Friday's paper. Please limit your comments to a minute or less; it might help to think first about the wording of your response.

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OPINION

State leaders must raise taxes? Or tighten their belts?

THINK twice

Editor's note: The following is "Think Twice," a weekly column with opposing viewpoints on the same issue from two friends who don't always agree in their politics. Evelyn Jerome, a four-year resident of Santa Monica and Todd Flora, a five-year resident, carry on the same types of conversations many would hear at the local watering hole or coffee shop. Flora and Jerome, both Southern California natives and Democrats — one perhaps more conservative than the other — plan to present their opinions on both sides of issues in the city, the state and the nation.



Todd Flora

■ The state budget mess is a staggering policy calamity that will require spending cuts AND tax increases. I don't care who's fault the budget deficit is, or how silly a few million in "pork projects" look. With a near $35 million shortfall, no one can credibly argue that our problems can be solved without SOME tax increases AND budget cuts we won't enjoy. It is not a time for ideological blinders — only for tough choices and shared pain.

The facts are these: You could shut down many vital services and K–college education in this state and still fall short. How strong a suggestion do we need to raise revenue in addition to cutting spending? Yet Republican leaders threaten retribution against any GOP legislator who votes for higher taxes. What may be worse than this ideological hubris is the Republicans' insistence that we pass the buck by floating the deficit over the next few annual budgets. Isn't this the kind of wimpy lack of leadership Washington usually delivers? This will delay problems, not solve them.

Not only must we sadly reconsider our beloved rollback of the car registration tax (a regressive tax increase to be sure), but we must also increase income taxes on the rich, just as Republican Governors Deukmejian and Wilson did to raise short-term revenue during their respective terms.

California's elected leaders must also use this time to restructure how we raise revenue in the post-Proposition 13 era. Assemblymember Darrell Steinberg (D-Sacramento) sponsored a bill that would have launched a pilot project in Sacramento and surrounding counties. The project would test revenue enhancements that will allow those localities to wean themselves from growing and developing by way of "big box" stores, outlet malls, and car dealerships — the overused but obvious option for many localities who must make up for lost tax revenue since Proposition 13's passage in 1978. And OK — I'll say it — we must reconsider Proposition 13 and restructure property taxes for a growing California population. Assemblymember Steinberg's model would be a good start.

With a $35 BILLION deficit, this is no time for clever grandstanding. Tell your state representatives you want tough choices made, and that you are willing to take the pain so long as it is shared, quick, and effective.

Todd Flora is the former state director of the California Clean Money Campaign, a campaign finance reform effort, and the former Western regional director of the Concord Coalition, a fiscal watchdog organization. To respond or to reach Todd, e-mail him at junkfood6@aol.com



Evelyn Jerome

■ Have you ever wondered why those mean Republicans always refer to us as "tax and spend Democrats?"

As California faces a multi-billion dollar budget shortfall, the governor and legislature ponder raising taxes.

Why not look for ways to spend less, instead of asking taxpayers to pay more? I've highlighted some not-quite-untouchable items in California's budget:

6. $1 billion each year goes to the Department of Child Support Services — a department created solely to collect child support from deadbeat parents. A third of this budget goes towards collecting child support from California parents for children in other states. Maybe we should seek reimbursement from those other states.

About 15 percent of this $1 billion budget is a penalty to the feds, because California has not implemented a statewide, automated child support system, as mandated by federal law. We're paying for our lack of efficiency – literally and figuratively.

5. California spent $5 billion last year for 142 transportation projects to "relieve traffic congestion." Do you think that traffic is $5 billion less congested? Where are those 142 projects, and why don't they relieve congestion near me?

4. Nearly $6 million was spent last year for "increased functionality" of the state Web site, www.ca.gov. The budget summary says the Web site allows 2.6 million web visitors per day to "reserve a state park campsite, register an automobile, apply for a professional license, check road conditions, apply for a job ..." What else does it need to do?

3. California shelled out $3 million for nuclear weapon detection devices on the Mexican border. If this doesn't scream "federal reimbursement," I don't know what does.

2. We spent $2.554 million last year on postage increases for the DMV alone. It was a 3 cent increase, in case you forgot, so that means the DMV sent out 84.28 million pieces of mail this year? How many cars and/or drivers do we have? Is Arthur Anderson doing the DMV's accounting?

And the No. 1 item the Governor and legislature can cut from our state budget instead of raising our taxes ...

1. The Mobilehome Purchase Fund.

Need I say more?

Feel free to send this to your state assemblymember and/or state senator — that's who'll decide if we pay more taxes next year. Common sense says if you have less, you spend less. I hope they will do some belt-tightening before asking us to empty our pockets.

(Evelyn Jerome is a past president of the Los Angeles County Young Democrats, and a member of the New Democrat Network. To respond or to reach Jerome, e-mail her at evelyn_thinktwice@yahoo.com.)

Opinions expressed are those of the writer and do not necessarily reflect those of the Santa Monica Daily Press staff. Guest editorials from residents are encouraged, as are letters to the editor. Letters will be published on a space-available basis. It is our intention to publish all letters we receive, except those that are libelous or are unsigned. Preference will be given to those that are e-mailed to sack@smdp.com. All letters must include the author's name and telephone number for purposes of verification. Letters also may be mailed to our offices located at 1427 Third Street Promenade, Suite 202, Santa Monica, 90401, or faxed to (310) 576-9913. All letters and guest editorials are subject to editing for space and content.

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YEAR IN REVIEW

Flicks bring another year of record film revenue

BY DAVID GERMAIN
AP Movie Writer

LOS ANGELES — It was sequel this, sequel that in 2002 Hollywood, which rode a strong wave of followup films and some new franchises to its own repeat performance: yet another year of record revenues.

Domestic box-office receipts topped $9 billion for the first time, with the final tally likely to be up about 10 percent from last year's record $8.35 billion.

Although some of that increase could be attributed to an estimated 5 percent increase in the price of a movie ticket, it also reflects a healthy rise in attendance, said Paul Dergarabedian, president of box-office tracker Exhibitor Relations.

"Less originality sometimes breeds more box office," Dergarabedian said. "Much as people like to say they want to see something new, when people are spending money, it seems less of a gamble to see Mike Myers in 'Austin Powers' again."

The number of tickets sold in 2002 edged past 1.5 billion, the highest in decades, though still far below peak levels of the 1930s and '40s, before television became a prime source of entertainment.

Movie attendance has risen steadily in the past decade as theater chains built swankier venues with better seating and sound, and studios threw more marketing resources into big-event pictures such as "Spider-Man," "Harry Potter and the Chamber of Secrets" and "The Lord of the Rings: The Two Towers," three of the year's hits.

"Spider-Man" is spinning a sequel, and the other two films already are part of franchises. Other followups in 2002 included "Star Wars: Episode II — Attack of the Clones," "Austin Powers in Goldmember," "Men in Black II," "The Santa Clause 2" and the James Bond adventure "Die Another Day."

"I think the consistency with which we deliver good movies has been the key to this year," said Chuck Viane, head of distribution at Disney, which released "The Santa Clause 2" and had a hit from its Touchstone division with "Signs."

"To get to $9 billion, it's because the vast majority of films delivered on expectations."

Studios remained focused on advertising blitzes to produce huge opening weekends. "Spider-Man" shattered the record for best first weekend, grossing $114.8 million in the first three days on its way to a $406 million total, and pacing distributor Sony to a nearly $1.6 billion year, a record for a single studio.

Yet the feel-good romance "My Big Fat Greek Wedding" caught Hollywood by surprise, becoming an out-of-left-field blockbuster the old-fashioned way, by viewers spreading the word.

Shot for just $5 million, a fraction compared to big studio flicks, "Greek Wedding" climbed steadily to a $218 million return, remaining in the top 20 nine months after its initial release in a fast-food climate in which most movies linger only a month or two.

"I don't think anybody could have predicted it," said Rob Schwartz, head of distribution for IFC Films, which released "Greek Wedding." "I think it was just a picture that was universal in nature and spoke to everybody. You could have substituted one of many ethnicities. Big fat Italian wedding, big fat Jewish wedding. It could have been almost anybody."







(From top) John Corbett and Nia Vardalos of 'My Big Fat Greek Wedding.'
Tobey Maguire and Kirsten Dunst in 'Spiderman.'
Beyonce´ Knowles and Mike Myers in 'Austin Powers in Goldmember.'

Hollywood had a record seven $200 million-plus hits — "Spider-Man," "Attack of the Clones," "Chamber of Secrets," "Signs," "Greek Wedding," "Austin Powers in Goldmember" and "The Two Towers" — one more than last year's record.

Other hits included "Ice Age," "Scooby-Doo," "Lilo & Stitch," "Minority Report," "Mr. Deeds," "The Ring" and "Sweet Home Alabama."

Flops included three Eddie Murphy flicks: "The Adventures of Pluto Nash," "Showtime" and "I Spy." Disney's animated "Treasure Planet" also tanked, while "Star Trek: Nemesis" faded quickly and could finish as the lowest-grossing of the sci-fi franchise's 10 movies.

At the start of 2002, studios were antsy about whether audiences would continue filling cinema seats given the economic downturn and the war on terrorism. If anything, though, moviegoers seemed more eager than ever to head to theaters and forget their cares for awhile.

"Whenever the country's been down a little bit economically or there's threats from around the world, the movie business is still a way to escape," said Tom Sherak, a partner in Revolution Studios, whose film slate for Sony included "XXX" and "Maid in Manhattan."

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YEAR IN REVIEW

Year in review: Top stories in Santa Monica of 2002

Life in Santa Monica is rarely dull and if you don't pay attention, you'll inevitably miss something. Here is the Santa Monica Daily Press' recap of some of the more important stories that came out of 2002:

YEAR REVIEW, from page 1

■ Living wage defeated



After years of preparing and arguing their case, supporters of the living wage ordinance felt certain they would prevail in this year's election. They felt they had widespread community support to raise the minimum wage for employees who work at businesses in the coastal zone that make more than $5 million a year to $10.50 an hour with health benefits, or $12.50 an hour without benefits. It was considered the country's most progressive and far-reaching living wage laws.

So it came as more than a shock when the living wage lost by about 800 votes in the November election. Supporters were so confident that it would pass they were celebrating before the polls closed. Anti-living wage supporters also believed that despite their best efforts, the measure would pass. They didn't even plan a victory party. Millions of dollars were poured into the campaign to defeat it, mostly by the luxury hotels who would be most effected by it. Supporters promise that another living wage proposal will come before the community in the upcoming year.

■ Tumultuous times for schools



A $30 billion state budget deficit and a failed parcel tax proposal locally are to blame for the dire financial situation the school district finds itself in.

School administrators and elected city officials were wrong in assuming that the community intuitively knew how bad off the public school district was with its budget shortfall, which grows by the millions as the months wear on. Voters in November narrowly defeated a parcel tax increase that would have pumped $9 million annually into the school district for 12 years.

To make matters worse, the state funding for local schools this year is $3.4 million short and it appears it's only going to get worse. John Deasy, superintendent of schools, estimates that local schools will have to do without at least $18 million in state funding next year.

That loss of funding is in addition to the $3 million or more in cuts already made locally this year in an attempt to balance the district's budget. Programs have disappeared, teachers are fearing for their jobs and overall education is in jeopardy.

Without any increased funding, the school district will be forced to eliminate all administrators except for principals at each school and cut $1 million in special education and other contracted services. It also would have to decrease $1 million in general fund spending, reduce non-mandated programs by $1 million, as well as $1 million in programs like sports and extracurricular activities, and lay off more than 120 employees, half of whom would be teachers.

To offset the state's apparent lack of concern for public education and to save some money, Deasy suggested this month the unorthodox proposal of shutting down school for 10 days, which would save $3.1 million.

Supporters of the parcel tax increase plan to bring another proposal to voters this June, this time for less money and a better campaign than this past year.

■ Homicides more than triple

Santa Monica experienced seven murders in 2002, a 350 percent increase over 2001's murders which amounted to two. All of the suspects have either been arrested by police or are dead by their own hands.

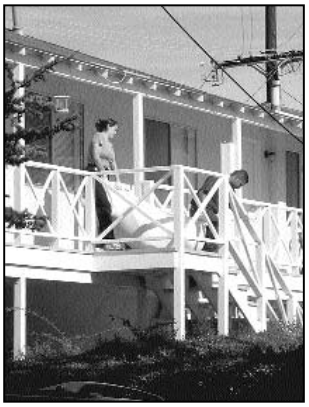
Four of the murders were domestic disputes, three of which were between married couples and ended in the husbands committing suicide after they killed their wives. The fourth domestic-related murder was between a father and son, with the son being convicted by a jury in October of second degree murder.

In February, Albert White, 45, killed his 77-year-old father, Pranas "Frank" Brazinskas, by striking him more than eight times with a barbell during an argument the pair had in their apartment on 21st Street north of Wilshire Boulevard. Santa Monica residents then learned that 32 years ago the pair hijacked a Soviet jet airliner to escape Cold War-era Lithuania. A stewardess was killed. The father and son were convicted of murder and sentenced to a Turkish prison, but later escaped during a political uprising.

In March, William Wheeler Jr., 41, murdered his estranged wife, Maureen Hughes, in a Sunset Park apartment, as well as her mother, Anna Catherine Hughes, 66, in her Westchester home. Wheeler then drove to Kimball, Neb., where he had relatives. Police there zeroed in on Wheeler and he shot himself while in the car.

In September, Julie Ann D'Anjolell, 51, was murdered by her husband, Stephen D'Anjolell, 52, in their apartment on Euclid Street and Idaho Avenue. After an argument, D'Anjolell shot his wife and then himself.

Less than two weeks later, Maria Leticia Vasquez, 21, was murdered in front of City Hall by her estranged husband, Juan Carlos Vasquez, 27. Juan Vasquez fatally stabbed his wife in front of their 6-year-old son before turning the knife on himself, which killed him. Maria Vasquez had escaped her husband's ongoing physical and mental abuse and was living in a battered women's shelter. She was court ordered to the Santa Monica Police Department in City Hall to drop off her son to Juan Vasquez for child visitation.



Three people are accused of murdering a man for an apparent gang-related shooting that occurred in February in the 1550 beach lot. Santa Monica police arrested on the scene a 17-year-old juvenile, as well as Rafael Ahumada, 25 of Van Nuys, and Edwardo Solis, 25, of Canoga Park. The suspects are believed to be affiliated with a gang outside of Santa Monica.

A Santa Monica business manager stands accused of murdering a man in front of BT Automotive Service on Pico Boulevard. Michael Ward Bell, 53, is awaiting trial for allegedly fatally shooting a man in July who was reportedly standing in the 2600 block of Pico Boulevard, in front of the business, for an extended period of time. He was shot at about 8:30 p.m., after the business had closed.

The year's last murder resulted in the death of a 19-year-old Los Angeles woman identified as Tiffany Scott, who was shot at the beach near lifeguard tower No. 20 in October. Kristopher Charles Bean, 18, of Los Angeles and a 17-year-old female were arrested for her murder less than two weeks later.

Scott was found lying in the sand on Santa Monica Beach between Bay Street and Hollister Avenue. Police said Scott had several gunshot wounds to her chest and stomach.

■ Tough love for city's homeless



In response to complaints from a very vocal business community, the city council in October voted to pass a law that forbids people from sleeping in downtown doorways. Another law places stricter rules on feeding programs that dole out up to three meals a day in public parks.

The city council heard business merchants' complaints that an influx of homeless people in downtown Santa Monica were making it a less desirable place to visit. So the council voted to make it illegal to sleep in front of downtown businesses' doorways from 11 p.m. to 7 a.m. The second law requires groups who feed the hungry to go through a rigorous government process to get a permit from the city and Los Angeles County to provide meals in a public place. Although neither law is being enforced yet, the feeding programs may be directly tied to social services that the city spends millions of dollars on annually. Several cities around the state, including Los Angeles are looking to Santa Monica to pass similar laws.

■ Gang activity on eastside flares up



Numerous police calls of attempted murders, assault with a deadly weapon and shots fired were the impetuous behind the Santa Monica Police Department's decision to beef up patrols in the Pico neighborhood in March, which is on the east side of the city.

The SMPD continues to patrol the neighborhood, which has been plagued with gang activity and drug dealing for years, to deter more violence from occurring. Throughout the year, incidents of drive-by shootings, stray bullets landing in a nearby pre-school, shots fired at police and some wounded by bullets were commonplace in Pico. No one was murdered in the area, however some people were seriously injured by bullets.

In April, the SMPD began using the Hawthorne Police Department's helicopter for "Operation Prime Time" which is what the police call its increased presence at night, which is when most of the crimes occur.

Shootings in the neighborhood subsided.

■ City loses battle with banking industry

After three years and thousands of dollars in attorney fees, the city of Santa Monica lost its fight with big banks on Dec. 20. A three judge panel in the 9th U.S. Circuit of Appeals ruled that the case against Santa Monica's ban on ATM fees is airtight and not

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YEAR IN REVIEW

YEAR REVIEW, from page 6

worth hearing again.

The court of appeals, in upholding an earlier judge's ruling, said only the federal government, not city councils or local voters, can create such ATM fee regulations.

The court ruled that the Santa Monica City Council and San Francisco voters had no authority in 1999 when they approved identical laws that banned banks from charging ATM fees to customers who are not members of that bank.

Santa Monica was the first city in California to take on the banking industry by banning what officials — and many customers — regard as a "double charge." City Councilman Kevin McKeown brought the issue to the forefront in 1999 after he realized he was charged twice when using ATM machines in San Francisco's Chinatown. He brought the issue in front of the city council, which voted 4-3 to pass the ban.

Wells Fargo and Bank of America sued Santa Monica to have the ban lifted and to reimburse them for attorney costs.

The city could appeal the case to the U.S. Supreme Court, although it has not yet been decided.

■ Millions infused into community college

In a special March election, Santa Monica College's $160 million bond measure to fund the school's facilities was passed by voters.

The money will be used to renovate buildings on the campus on Pico Boulevard. It also will partially fund the purchase of a 10-acre BAE Systems property that the college recently bought for $30 million near the airport for a satellite campus and more parking.

The college plans to replace the earthquake damaged liberal arts building and temporary buildings, as well as facilities for many SMC educational programs. Renovations are expected to be completed over the next decade.

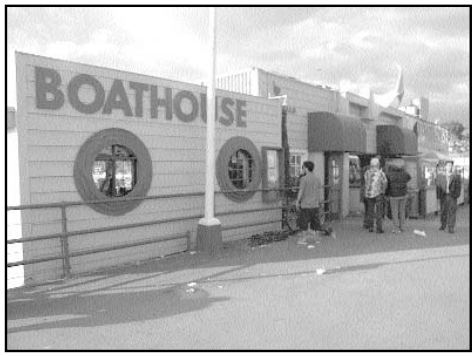
■ Yang heads for the White House



In May, Santa Monica resident Debra W. Yang became the first Asian-American to become a U.S. Attorney. Yang, who before being nominated by the White House and the U.S. Senate to become Los Angeles' U.S. Attorney, was a judge in Santa Monica Superior Court.

A native of Los Angeles, Yang considers herself a Santa Monica local because she was here before the Third Street Promenade became the hot spot of the city. Yang said she will focus her work as U.S. Attorney in combating terrorism and civil rights issues. Now that Los Angeles has a new police chief dedicated to curbing the city's gang activity, Yang most likely will focus her efforts in prosecuting gang members as well.

■ Boathouse walks the plank



The Boathouse, a 50-year-old fixture of the Santa Monica Pier was forcibly shut down by the city in April to make way for movie-themed chain restaurant Bubba Gump Shrimp.

Naia Sheffield, who had taken over her family's restaurant several years ago, filed a $50 million lawsuit in May against the city and the Pier Restoration Corp., claiming she was unfairly kicked out.

The suit alleges that the city and the PRC, which handles leases on the pier, reneged on a 25-year lease Sheffield negotiated in 1993. The city, which owns the pier, ended its month-to-month lease with the Boathouse in 2001 so Bubba Gump could move in. Sheffield claims she was forced to enter into the month-to-month lease in 1998 to keep possession of the restaurant.

During what Sheffield describes as an unfair selection process, the PRC awarded Bubba Gump Shrimp a long-term lease. The city maintains its selection process was fair. Bubba Gump is estimated to pay nearly double the rent than what Boathouse was paying and much more in a percentage of the restaurant's gross sales receipts than what the Boathouse brought into the city.

The lawsuit is pending and Bubba Gump is planning on razing the Boathouse to build a new restaurant, which is expected to open next year.

■ Status quo remains in political scene

With nine candidates running, the three city council incumbents swept the November elections, with Pam O'Connor, Kevin McKeown and Bob Holbrook getting the most votes. A battle was waged in August for those seeking the crucial Santa Monicans for Renters Rights' endorsement. SMRR, the ruling party in Santa Monica, was split when it endorsed Abby Arnold over others, including then-Mayor Mike Feinstein's pick of Green Party candidate Josefina Aranda Santiago.

In December, Santa Monica got a new mayor when the council appointed Councilman Richard Bloom. He replaces Mike Feinstein, who served in the mostly ceremonial position for two years.

■ Weak economy creates uneasiness

Effects of the terrorist attacks in September 2001 and an impending war against Iraq have many people holding their wallets close to their pockets. The sluggish economy is felt nationwide and Santa Monica is no exception.

The City of Santa Monica is facing an $8.2 million budget deficit this year and a $16 million deficit next year as a result of decreased sales taxes. Those numbers are expected to get worse as the economy slowly climbs back and the state continues to take away city funding by not reimbursing property, sales and vehicle license taxes to deal with its own $30 billion deficit. More than $20 million in local capital improvements have been cut and budgets have been slashed in each department in City Hall.

Sales taxes in the city's business districts continue to wane, with many small operations facing serious financial consequences through either lay-offs or shutting their doors permanently. Consumer confidence is slowly starting to climb back up and Santa Monica business owners are waiting to see how much damage has been done.

Shooting a firearm on New Years is considered a felony

GUNFIRE, from page 1

climb two miles into the air and remain in flight more than a minute. As it falls, the bullet reaches a velocity of 300 to 700 feet per second. A velocity of only 200 feet per second is sufficient to penetrate the human skull.

"That bullet can literally travel for blocks," Fabrega said. "In all honesty, they travel faster when they are coming down."

While law enforcement, in partnership with the community, local businesses and the media, has made an impact on reducing indiscriminate gunfire, the problem persists. Local law enforcement is once again asking the community to celebrate the new year safely and responsibly. Don't fire guns in the air. Remember what goes up will come down and when a bullet comes down it is traveling at a fatal velocity.

If you see a person shoot a gun, report it immediately by calling 911 and give the dispatcher as much information as possible. If you only hear gunfire, call (310) 458-8491 immediately.

Any person who violates section 246.3 of the California Penal Code will have their firearm(s) confiscated and will be arrested for a felony crime. Shooters can and will be arrested and prosecuted for negligent discharge of a firearm, which is a felony and punishable by imprisonment in state prison. If arrested your bail will be $25,000.

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Santa Monica Daily Press

YEAR IN REVIEW

2002 was a year of anxiety for many Californians

BY ERICA WERNER
Associated Press Writer

California shuddered from one distressing story to the next in 2002, with abducted children, priest-abuse cases, a record state budget deficit and a dispiriting campaign for governor dominating the news during a year of anxiety.

Some of the most chilling news centered on a seemingly constant stream of stories of abducted, murdered children and of priests accused of molesting young parishioners.

The Catholic church abuse scandal that erupted in Boston in January quickly made its way to California when the Rev. Paul Shanley, a priest at the center of the scandal, was found to have worked at a parish in San Bernardino in the early 1990s. He was arrested in May in San Diego, where he had been living in retirement.

Dozens of other cases of allegedly abusive priests also surfaced from Orange County to San Francisco, while in Los Angeles County more than 60 current and former priests came under investigation by law enforcement.

The scandal overshadowed the September dedication in Los Angeles of a $189 million cathedral to serve the nation's largest Catholic archdiocese.

Meanwhile, two of the nation's highest profile child abductions occurred in Southern California in 2002.

In August, a San Diego jury convicted self-employed engineer David Westerfield of abducting and killing 7-year-old Danielle van Dam, who prosecutors said was carried from her bedroom in February.

A month before Westerfield was convicted, 5-year-old Samantha Runnion was carried kicking and screaming from in front of her Orange County condominium by a man who used a lost puppy ruse to get close enough to grab her. The girl's body was found about 50 miles away in neighboring Riverside County the next day.

Alejandro Avila, 27, is awaiting trial on kidnapping and murder charges.

Although authorities said there were no more child abductions in 2002 than any other year, those cases helped prompt Gov. Gray Davis to sign a bill triggering "Amber Alerts," widely broadcast statewide announcements reporting child abductions.

Almost immediately, the new law was credited with saving the lives of two teenage girls kidnapped at gunpoint from the California high desert in August and rescued by authorities 12 hours later.

"There are 22 kids who've been safely recovered in the past five months that might not be alive today" without the Amber Alerts, said California Highway Patrol spokesman Tom Marshall. "It's been a tremendous tool."

Fears of terrorism also kept Californians on edge in 2002, especially after a Fourth of July shooting at Los Angeles International Airport in which an Egyptian man killed two employees of Israel's El Al airlines. Authorities determined the man had acted for personal, and not political reasons, however.

Political violence that occurred decades ago caught up in 2002 with the surviving members of the Symbionese Liberation Army.

Four members of the ragtag band of violent rebels who came together in the San Francisco Bay area pleaded guilty in connection with a bungled 1975 bank robbery that killed a woman in the Sacramento suburb of Carmichael. All were sentenced to prison.

Days later, authorities finally caught up with the SLA's James Kilgore, who had been in hiding for 27 years. They arrested him in South Africa and he agreed to be extradited to California.

As in previous years, celebrities were frequently in the news in California, but this year they were frequently in court or in jail.

Actor Robert Blake spent most of the year in jail, held without bail pending trial on charges of murdering his wife the year before. Winona Ryder, convicted of shoplifting by a Beverly Hills jury that included movie mogul Peter Guber, was sentenced to community service. Nick Nolte, looking disheveled in his booking photo, was arrested for investigation of driving under the influence.

On the music front, Michael Jackson spent several days in a Santa Maria courtroom defending himself in a $21 million lawsuit accusing the self-proclaimed king of pop of backing out of two concerts. The matter remained unresolved as the year ended.

Not all the celebrity news was bleak. Halle Berry made history by becoming the first black woman to win a best actress Oscar during an Academy Awards ceremony that saw an unprecedented sweep of the top awards by black performers when Denzel Washington claimed the best actor Oscar.

In sports, baseball's Anaheim Angels and San Francisco Giants made it an all-California World Series, with the Angels winning their first championship in the team's 42-year history.

The Los Angeles Lakers defeated the New Jersey Nets to win their third straight NBA championship after a thrilling north-south matchup against the Sacramento Kings in the Western Conference finals.

It also was a good year for actor Arnold Schwarzenegger, whose championing of an after-school program measure approved by voters helped position him for a possible run for governor in 2006.

Overall it was not a good year for politics. Only about half the state's registered voters bothered to cast ballots for governor following an ugly mudslinging campaign pitting Democrat Davis against Republican political newcomer Bill Simon. Davis barely won.

"It was a year dominated by the election, and the election was dispiriting to Californians," said Bruce Cain, a University of California, Berkeley, political scientist. "There were no particular surprises to the election. It came out kind of the way it was scripted, but it didn't leave anybody terribly happy."

In Congress, Rep. Gary Condit, once considered unbeatable in his Central California district, was thrown out of office by voters angry about the way he handled his relationship with Chandra Levy, a 24-year-old intern who vanished from her Washington apartment as she was about to return home to California. Her body was found in May but her killer never captured.

Davis saw his re-election hampered and any hopes for a presidential run in 2004 dashed by a $23.6 billion budget deficit.

The governor didn't sign a budget until September, more than two months into the fiscal year, after a rancorous standoff with Republican legislators over the deficit.

As the year neared its end, Davis offered a bleaker outlook for the next 18 months: a budget shortfall of $34.8 billion.

In the courts, California maintained its reputation for groundbreaking liberalism when a federal appeals panel in San Francisco ruled that reciting the Pledge of Allegiance in public schools was unconstitutional. It said using the term "under God" in the pledge was an unconstitutional government endorsement of religion.

The ruling was stayed pending further appeals.

The year's biggest business story was a labor dispute that shut down the 29 major West Coast from California to Washington for 10 days, inflicting some $1 billion a day in losses. Dockworkers and shipping companies reached a tentative six-year labor agreement in November, after President Bush went to court to reopen the ports .

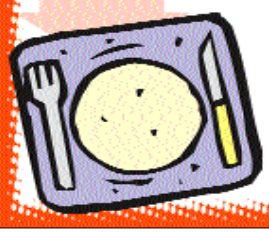
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YEAR IN REVIEW

Slumps, slides, layoffs delay state's economic recovery

BY RON HARRIS
Associated Press Writer

The state's tumultuous business climate continued through 2002, with economic recovery failing to materialize on several fronts and major corporations continuing to trim the fat.

The collapse of Enron had a ripple effect for California businesses such as PG&E, which continued to suffer from the state's energy crisis shakeout. In June, the U.S. Attorney's Office in San Francisco launched a grand jury investigation into Enron's alleged role in tampering with the state's power market.

While PG&E made some progress getting its Pacific Gas and Electric utility out of bankruptcy, the parent company's unregulated energy wholesaling division, the National Energy Group, now teeters on bankruptcy.

Nettie Hoge, executive director of The Utility Reform Network, called the energy system flawed and rife with greed.

"I see PG&E bankruptcy looming, if it were to be approved in its current state, as nothing but a downside for consumers," Hoge said.

A West Coast port dispute resulted in a 10-day dockworker lockout and may have cost the nation billions of dollars. Analysts and academics continue to sift through financial residue created by the stoppage.

It took a federal mediator to coax the deal from the impasse that ended when President Bush ordered both sides back to work with a rare use of the Taft-Hartley Act.

On Nov. 1, the mediator reached a compromise under which the union agreed to let computerized cargo tracking onto the docks in exchange for better pensions and wages.

Dissident Hewlett-Packard shareholders saw their hopes of stopping the company's merger with Compaq Computer Corp. dashed in April.

The vicious proxy fight led by former HP director Walter Hewlett failed and the new HP emerged under the leadership of Carly Fiorina, and new No. 2 in command former Compaq CEO Michael Capellas. The new HP cut more than 16,000 jobs, and Capellas quit in November to take over troubled WorldCom Inc.

The Walt Disney Co. began the year on a high note, posting earnings of 13 cents per share for the second quarter, 3 cents better than Wall Street predicted.

But earlier this month, Disney was forced to revise its fourth-quarter earnings due to the poor box-office performance of its animated film, "Treasure Planet." The film, which cost more than $140 million to make, earned only $12 million at the box office in its opening weekend.

Disney also confirmed in December it is being investigated by the Securities and Exchange Commission after revelations that relatives of several independent board members had been or currently are employed by Disney or a company it controls.

Millard "Mickey" Drexler retired as Gap CEO in September, and was replaced by Paul Pressler, the former head of Walt Disney Co. theme parks.

San Francisco-based Levi's struggled in 2002, announcing in April it would close six U.S. plants and lay off 3,600 employees, or 22 percent of its work force.

The company took another hit in August when Moody's Investors Service lowered the jeans maker's rating on $2.1 billion in debt by two notches, pushing Levi's further into junk bond territory.

But the company finishing on an optimistic note, predicting its sales will increase in 2003 for the first time in several years.

The government's Homeland Security initiative could prove to be the golden goose for some tech companies. The new federal department calls for "private sector advisory councils" composed of industry and trade group representatives to advise the department on security products and services.

The federal government ordered 100 bomb scanners from Newark-based InVision in February and asked the company to get enough parts to build as many as 300 more scanners. The deal could generate $169.8 million in sales, InVision said.

Little reassurance given to Americans amidst terror alerts

ANXIETY, from page 1

"For people to feel an increase in anxiety over the past year is absolutely normal and appropriate," said psychotherapist Jerilyn Ross, president of the Anxiety Disorders Association of America. "Learning to live on the edge — that's become, for many people, almost a way of life."

The most pervasive anxiety was a sense of insecurity, heightened after the first anniversary of the Sept. 11 attacks by renewed threats from an unseen Osama bin Laden and terrorist strikes ranging from Yemen to Indonesia to Kenya.

Never before had Americans lived under an indefinite terrorism alert. The government's new, color-coded system — mostly hovering at yellow for "significant risk," briefly shifting to "high risk" orange — provided little reassurance.

Health officials publicly debated the feasibility of mass smallpox inoculations in the event of a bioterror attack. After a near-miss attack on an Israeli plane leaving Kenya, intelligence experts acknowledged that airliners were vulnerable to strikes by surface-to-air missiles available from arms traffickers.

The nonstop alert status produced numerous false alarms, including the mistaken arrest of three Muslim medical students in Florida and the diversion of an airliner after a flight attendant mistook a passenger's comb for a knife.

Eastern Washington University evacuated its entire 9,000-student campus in mid-November when a caller claiming links to al-Qaida said there were five bombs at the Spokane school. No were bombs found, nor was the caller.

"With all the threats at the national level, we can't take anything for granted," said Tom McGill, chief of campus police. "It's a sad state of affairs when you have to have that mindset."

Around military bases, and in the homes of reservists, families prepared for a possible war with Iraq. Thousands of part-time soldiers braced for call-ups, including Russ Walther, 31, a school teacher and National Guardsman from Boise, Idaho, whose wife has taken charge of the family finances.

"It really is tough for the families, and it's tougher on the guardsmen than they let on," Walther said.

For all the uncertainty regarding Iraq, professional soldiers were more steeled for that conflict than civilians in greater Washington were for the sniper shootings that persisted for three nerve-racking weeks in October.

Across populous, normally placid suburbs in Maryland and Virginia, locked-down schools canceled football games and outdoor recess. Starbucks outlets removed sidewalk seating, and gas stations strung up tarp to shield customers. Only with the arrests of two suspects at a highway rest stop did the fears subside.

"It's been a really difficult year for our area," said Stefanie Zaring, deputy executive director of the Mental Health Association of Maryland's Montgomery County, home to several of the snipers' victims. She noted that the region already had been shaken by the Sept. 11 attack on the Pentagon and the mailings of anthrax-tainted letters.

"Things have gotten so far out of our control," Zaring said. "No one nationally is saying it's 'OK, things are going to be better.' Instead, they're saying, 'Stay alert.'"

Far from greater Washington, another breed of criminal — child abductors — stirred up nightmares for countless parents. Police arrested suspects in the kidnap-murders of girls in California, Missouri and Oregon, but no trace was found of 14-year-old Elizabeth Smart, abducted at gunpoint in June from her bedroom in Salt Lake City.

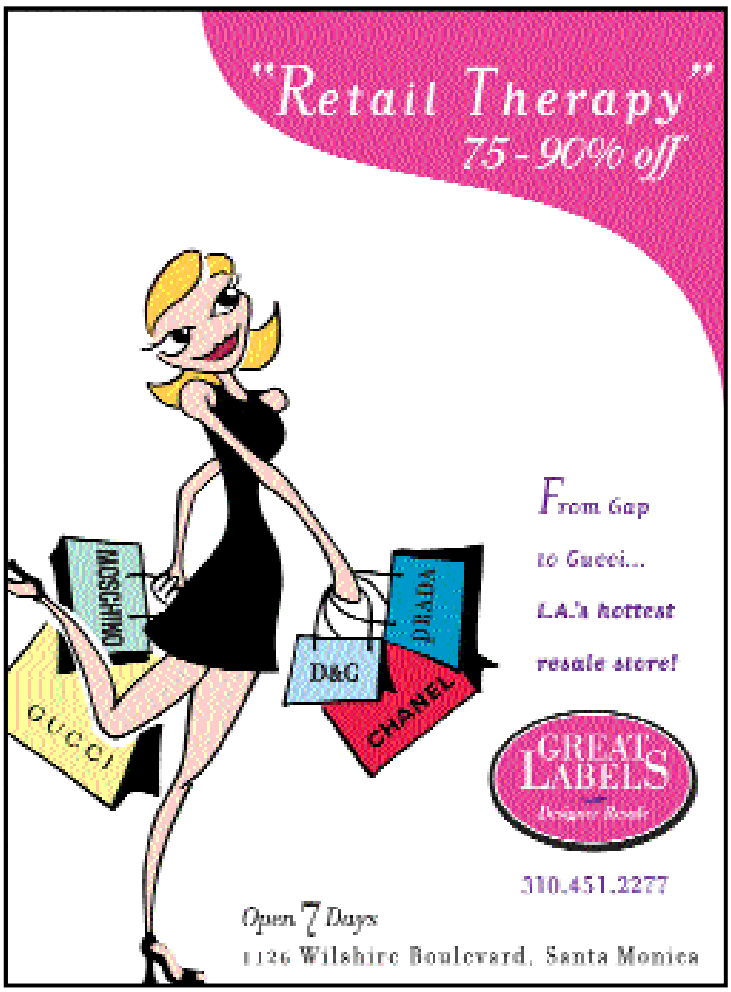
Many Roman Catholic parents were unnerved — and angered — by the flood of disclosures about sex abuse of children committed by priests in dioceses across the country. Most unsettling, for many Catholics, was a loss of trust in bishops who sheltered abusive priests.

Corporate executives and investment analysts also suffered from a loss of trust as Americans struggled to keep abreast of a dizzying string of business scandals and embarrassments. Boardroom icons ranging from Martha Stewart to former General Electric boss Jack Welch were among those to come under scrutiny.

The scandals were part of broader economic trends that inflicted hardship on many Americans. Companies big and small combined to lay off tens of thousands of workers, major airlines battled for survival, the stock market gyrated , and home foreclosures reached an all-time high.

For nearly 1 million unemployed workers nationwide, the year-end holidays promised to be particularly bleak. Congress adjourned for the year without extending jobless benefits due to expire three days after Christmas.

On top of other sources of stress, some regions were tormented by natural disasters — drought and wildfires in the West and South, tornadoes that killed 36 people in Tennessee, Ohio, Alabama, Mississippi and Pennsylvania in November.



YEAR IN REVIEW

Corporate scandals exposed market's vulnerabilities

BY BRAD FOSS
AP Business Writer

NEW YORK — Executives were led away in handcuffs and business leaders took the Fifth Amendment, images of a tumultuous year in which the fabric of corporate America was tearing apart.

In time, though, they might better serve as reminders of the system's weaknesses and the need to patch them, lest the whole thing come unraveled again.

"Hopefully, what will come out of all this will be some wariness, skepticism and vigilance," said Nancy Koehn, a financial historian at Harvard Business School.

As details emerged about Enron, WorldCom and executives who got rich at the expense of employees and shareholders, investors on Wall Street and Main Street were devastated.

Whatever satisfaction the public felt as executives were indicted was certainly tempered by the economic damage wrought by accounting shenanigans. Stocks plunged, jobs were lost and retirement savings were wiped out.

While the financial pain lingers, the more enduring legacy of this scandalous era could be beneficial to the American financial system.

Executives, auditors and corporate boards are likely to face greater scrutiny as a result of new laws and industry standards. Equally important, experts said, is that individual investors are paying greater attention to the conflicts of interest and the culture of self-interest that dominate corporate America.

But this renewed attentiveness should not be taken for granted, said James Schrager, a professor of strategic management at the University of Chicago's Graduate School of Business.

"It will only last until the next giant, silly expansion based on air," Schrager said. "There will be other great frauds."

They are likely, though, to be measured against the corporate excess and duplicity exposed in 2002:

■ Enron's former chairman and chief executive, Kenneth Lay, received $152.7 million in payments and stock in the year leading up to the company's collapse amid revelations that it hid debt and inflated profit for years. Lay's take in 2001 was more than 11,000 times the maximum amount of severance paid to laid-off workers.

■ Former WorldCom CEO Bernard Ebbers borrowed $408 million from the telecommunications company that had improperly accounted for $9 billion and was forced into bankruptcy. Ebbers had pledged company shares as collateral, but with those shares, once valued at $286 million, worthless, he was said to be considering forgoing his $1.5 million annual pension to help settle the debt.

■ Adelphia Communications' founder and former CEO, John J. Rigas, allegedly conspired with four other executives to loot the company, leading prosecutors to seek the forfeiture of more than $2.5 billion.

Of the 15 people indicted in the scandals at Enron, WorldCom and Adelphia, six have pleaded guilty to securities fraud and other crimes. Only one CEO from these companies, John J. Rigas, has been indicted. None has been convicted.

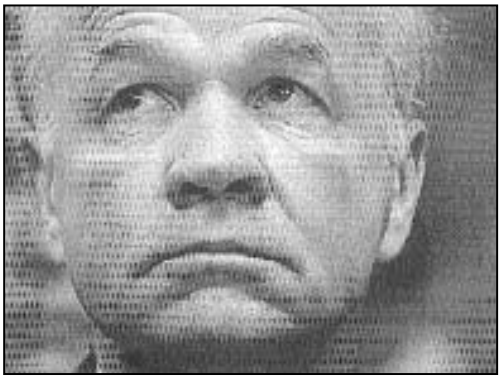
In addition, a dozen insiders from Arthur Andersen, Enron, ImClone Systems, Merrill Lynch and WorldCom exercised their constitutional right against self-incrimination during congressional hearings.

Massive earnings restatements at Adelphia, Enron and WorldCom drew attention, but a government report found it was just part of a growing trend among public companies.

The General Accounting Office, Congress' investigative arm, reported that earnings restatements due to accounting irregularities rose 145 percent between 1997 and June 2002. By the end of 2002, the GAO predicted 3 percent of all companies will have restated earnings, compared with less than 0.9 percent in 1997.

The public glare went beyond the executive suite.

Former Tyco International CEO Dennis Kozlowski was said to spend millions of dollars of company money on art and furniture — even a $6,000 shower curtain, by one report — and Adelphia executives allegedly used corporate jets for personal business.



Former Enron Chairman Kenneth Lay refuses to answer questions from lawmakers about his role in the collapse of Enron on Feb. 12, 2002.



Bernard Ebbers, former president and CEO of WorldCom, resigns Tuesday, April 30, 2002.

Lawrence White, a former economist at the Justice Department who is now a professor at New York University's Stern School of Business, said the type of behavior exposed in 2002 only happens when there is "a breakdown of institutions."

"Despite the lip service, executives weren't really managing their companies in the long-term interest of the shareholders," White said.

"That was combined with accountants not doing their job, shareholders being lulled by those back-to-back years of double-digit gains, figuring they didn't have to pay attention, and the analysts essentially getting co-opted by the companies they're supposed to cover."

The underlying problem of the era, said Barry Barbash, a former lawyer for the Securities and Exchange Commission who now works at Shearman & Sterling, was "superficiality."

The clearest example of this, Barbash said, was the obsession on Wall Street with short-term earnings targets, which gave executives incentive to say and do whatever was necessary to meet the quarterly expectations of analysts.

The problem was exacerbated by the proliferation of stock options in executives' pay packages, Barbash said, because even a temporary surge in a company's stock price could result in a financial windfall for senior managers.

"Corporate managers were not looking beneath the surface at how they were running their businesses," Barbash said. "Financial gymnastics outweighed solid financial practices."

If Enron and WorldCom were two of the more nimble financial gymnasts, then Arthur Andersen no doubt will go down in history as their infamous coach.

At the very least, experts said, Arthur Andersen should have spotted the bookkeeping stunts. The firm said clients such as Enron and WorldCom withheld vital information, but in June it was convicted by a Texas jury of obstruction of justice for shredding Enron documents.

Andersen was reduced to a shell of its former self, and its foibles hinted at much larger problems, especially potential conflicts of interests when an auditor was also a consultant. Andersen, for example, received about $27 million a year in consulting fees from Enron on top of a similar amount in auditing fees.

Fears that auditors might go easy on bookkeeping gimmicks devised by their colleagues in the accounting division, coupled with the high-profile earnings restatements at Enron and WorldCom, shattered investors' confidence in the integrity of financial statements.

"I think what we saw was a race to the bottom in terms of oversight," said Franklin D. Raines, the CEO of Fannie Mae and chairman of the corporate governance task force at the Business Roundtable, an industry group made up of chief executives.

Leading the pack, Raines said, were boards of directors. He said they delegated too much power to chief executives and did not adequately scrutinize their behavior.

"The CEO is an employee; the CEO is not a minor god," Raines said.

Superficial behavior was not limited to corporate America.

"The whole regulatory structure is in a state of disarray," said Isaac C. Hunt, a former commissioner at the Securities and Exchange Commission, which was established in 1934 in the wake of another economic bubble riddled with scandals.

Hunt, a commissioner between January 1996 and August 2002, said that during his tenure the agency was underfunded, understaffed and, more importantly, misguided. With the dot-com boom in full swing, Hunt said the SEC allowed itself to get bogged down in the enormous volume of initial public offerings by upstart Internet companies.

Under the leadership of former Chairman Arthur Levitt, the SEC tried to get Congress to investigate the potential conflicts of interest in the accounting industry, but it ultimately abandoned the fight.

Hunt said agency staffers essentially backed away from their own bookkeeping battles with companies like Enron until it was too late.

"I don't think we had enough people who were willing to walk in there and say, 'I don't understand these numbers. What do they mean?'"

The overwhelming majority of individual investors weren't asking enough questions either, experts said.

As their 401(k) retirement plans grew at staggering rates, workers developed a blind faith in the market, said Ken Janke, chairman of the National Association of Investors Corp., a non-profit investor education group.

And while individual investors should not have been expected to anticipate the kinds of accounting mischief that went on at Enron, Janke said they should have known that research published by analysts who work for investment banks was suspect.

"That's not something new," he said.

To be sure, the scandals of the past year and the subsequent decline in value of 401(k)s demystified plenty about the way Wall Street works.

"Nothing focuses the mind like a hanging," quipped the AFL-CIO's Patterson.

Now the era of superficiality appears to be morphing into one of greater thoughtfulness.

Investor groups like NAIC say their members are getting back to basics. The SEC now requires chief executives to certify their financial statements. The New York Stock Exchange now requires that a majority of directors on boards of member companies be independent. And Congress, by passing the Sarbanes-Oxley act, helped create a new oversight board for the accounting industry.

Just how long the attitude adjustment lasts remains to be seen.

DID YOU KNOW?: Almost 1.2 billion people are underfed — the same number of people that are overweight to the point of obesity.

Terrorism, economic gloom left little cause for rejoicing in 2002

BY BARRY RENFREW
Associated Press Writer

LONDON — For most of the world, 2002 was a gloomy, tense year as nations struggled with slumping economies while watching nervously for the twin threats of terrorist attacks and war with Iraq.

From Europe to the Middle East and Asia, many hoped the United States would not attack Iraq, but resigned themselves to the possibility. Only Britain and a few allies gave strong support to Washington's tough stance on Iraq.

The world mourned the anniversary of the Sept. 11 attacks, convinced more would come. Terrorism struck heavily in Russia, Kenya and Indonesia.

After the roaring 1990s, economies were in the doldrums as stock markets slumped, business faltered and banks struggled with bad debt. Hopes at the start of the year of recovery proved brief and fear of recession intensified by fall.

The year in Europe was a search for expansion and the healing of old divisions. NATO invited seven of its former Communist opponents to join as the scars of the Cold War healed. The 15-nation European Union moved to add 10 more.

European domestic politics were less harmonious. The far right appeared to be making unprecedented gains as Europeans reacted fearfully to a flood of illegal immigrants.

Jean-Marie Le Pen stunned the world by winning a place in the runoff of the French presidential election, even though he was then thrashed by incumbent Jacques Chirac. Holland suffered its first political assassination when a rising star of the anti-immigration camp, Pym Fortuyn, was gunned down. By year's end, the far right appeared on the run, as Austria's far-right Freedom Party of Joerg Haider suffered a major defeat and Fortuyn's party, which had done well in elections, plunged into disarray.

In Germany, Chancellor Gerhard Schroeder narrowly won re-election, only to see his tenuous popularity crumble as the continent's largest economy teetered. German ties with Washington nose-dived after Berlin stridently opposed war with Iraq.

The terror Europeans feared all year struck in Moscow in October when a theater siege by Chechen rebels ended in a raid by special forces that left at least 129 hostages dead.

In Asia, India and Pakistan continued their nuclear-tipped standoff, exacerbated by the bleeding sore of the disputed territory of Kashmir. North Korea revealed it had nuclear weapons. Afghanistan, free of the Taliban after a U.S.-led campaign, struggled to escape the clutches of rival war lords.

Terrorism hit Asia when a bomb wrecked a night club in the Indonesian resort of Bali in October, killing nearly 200 people, mainly young Western tourists.

The United States continued its war on terrorism, claiming to have made important arrests. It also pressed the hunt for Osama bin Laden. But was the al-Qaida leader blamed for the Sept. 11 attacks still alive in 2002? U.S. experts concluded from a taped speech attributed to him that he was. A Swiss research institute said the tape was inconclusive.

China experienced its first orderly regime change since the communist revolution of 1949 when Hu Jintao replaced Jiang Zemin as Communist Party general secretary in November. It was part of a long-planned handover of power to a younger generation.

While China's economy continued to grow, much of Asia struggled with a 5-year-old slump. Japan's woes showed little sign of abating, even under its new, reformist prime minister, Junichiro Koizumi.

It was a year of crisis and stalemate in the Middle East. Israel's battle with the Palestinians deepened with a cycle of suicide bombings and Israeli military sweeps. Israel headed into another critical election pitting a hawk, Prime Minister Ariel Sharon, against a dovish challenger, Amram Mitzna, while some younger Palestinian leaders for the first time questioned the wisdom of continuing an uprising more than two years old.

The second half of the year was dominated by fears of a war with Iraq. Arab governments feared it would destabilize the entire region. Anti-U.S. sentiment bubbled in the streets of Arab cities.

"In general, 2002 was not a good year for the Arab world," said Abdel Maneim Said, head of the Al-Ahram think tank in Cairo, Egypt.

"I believe the crisis with Iraq created a kind of depressing environment in the region."

In Latin America, Brazil, the region's powerhouse, took a historic step away from centrist rule as leftist Luiz Inacio Lula was elected president. Economic instability, or the threat of it, hung over many nations as Argentina buckled under massive debt.

"There is no clear solution to this. No one quite sees to know how to restore growth and vibrancy in these countries," said Peter Hakim, president of the Inter-American Dialogue, a private research group.

Alvaro Uribe became president of Colombia with a promise to defeat leftist FARC guerrillas and drug barons. Maverick President Hugo Chavez clung to power in Venezuela after being briefly toppled in April.

In Africa, the AIDS epidemic continued its merciless ravages, and drought, floods and bad government raised anew the threat of famine. Ivory Coast, once held up as a model, faced civil war, and other conflicts sputtered on unresolved.

And yet, the world's poorest continent saw signs of hope.

Wars in Congo, Angola, Somalia and Somalia died down as belligerents turned to the negotiating table. The African Union, a new grouping of 53 nations, promised an era of peace and prosperity.

"We are starting a new chapter in the history of our continent," South African President Thabo Mbeki said at its launch.

"In general, 2002 was not a good year for the Arab world. I believe the crisis with Iraq created a kind of depressing environment in the region."

— ABDEL MANEIM SAID
Head of the Al-Ahram think tank

Continuing the search



Dusan Vranic/Associated Press

U.N. weapons inspectors walk by warehouses belonging to the Ministry of Agriculture in Abu-Ghraib about 25 miles west of Baghdad on Monday. U.N. weapons inspectors are continuing their search for weapons of mass destruction in Iraq.

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SPORTS

NFL playoffs look wide open in both conferences

BY DAVE GOLDBERG
AP Football Writer

The NFC playoffs must go through intimidating Veterans Stadium. The AFC playoffs go through Oakland and its Black Hole.

Yet this could be the NFL's most wide-open tournament in years.

The Eagles need Donovan McNabb to be healthy and, preferably, in top form, to make it to San Diego. He might not be.

And remember that the Raiders lost four in a row at one point.

"In coaching you always look at a team that is on a roll and has beaten some good teams coming down to the wire," says Giants coach Jim Fassel, whose team won its last four games to get into the postseason as an NFC wild-card team.

"It's all about momentum. It's not who you play but when you play them sometimes. Teams gain confidence, and when they get that they are certainly tougher to beat."

So here's a look at the playoff teams, in order of Super Bowl possibilities:

AFC

1. Tennessee (11-5). Go by Fassel's "hot team" theory. The Titans have won nine of 10. They're not always pretty, but they got to the Super Bowl after the 1999 season and were 13-3 in 2000. Don't underestimate the Steve McNair's impact — he's making a late MVP push.

2. Oakland (11-5). The Raiders beat the Titans 52-25 on Sept. 29. As the coaching cliche goes, it's hard to beat a team twice in a season. With Jevon Kearse back, the Titans should get some pressure on Rich Gannon if they meet in the conference title game.

3. New York Jets (9-7). Another hot team, 8-3 after a 1-4 start. That coincides with the blossoming of Chad Pennington, who led the league in passer rating. The Jets should get by the Colts and probably would go to Oakland. They lost 26-20 at the Raiders during the regular season but could have won with a few breaks.

4. Pittsburgh (10-5-1). Might be a scarier team on the road than at home, where they've lost three AFC title games in the last decade. Have to get by Cleveland first — they had two three-point wins over the Browns this year.

5. Cleveland (9-7). Kelly Holcomb has performed better at quarterback than the injured Tim Couch, and rookie running back William Green has come on late. Could beat Pittsburgh, but it's hard to envision the Browns going very deep.

6. Indianapolis (10-6). The improved defense was exposed in a 44-27 loss to the Giants in Week 16. Lackluster against the Jaguars on Sunday. Without Edgerrin James at full speed, they're probably a first-round casualty.

NFC

1. Philadelphia (12-4). Playing at home is a huge plus, particularly against Tampa Bay, which has turned in three straight awful performances at Veterans Stadium. But McNabb, coming back from a broken ankle, is a huge asterisk. "I know what he can do and what he can't do and if he can't do enough to be efficient out there and get himself out of trouble then he won't be out there," coach Andy Reid says.

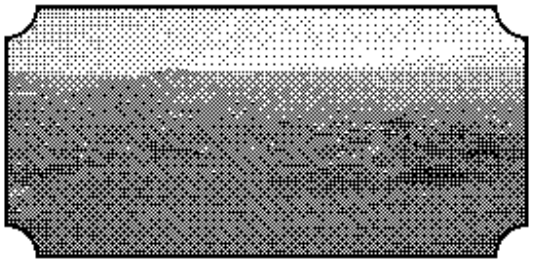
2. Tampa Bay (12-4). But only if Brad Johnson is healthy. Best shot is a Philadelphia loss, which would potentially give them the conference title game at home. Have lost in Philadelphia the last three seasons and seem intimidated every time they go there. If they have to go with Rob Johnson (or Sean King) at QB, they won't get very far. The defense can only do so much.

3. New York Giants (10-6). A long shot with a legitimate chance. New York is on a roll, especially on offense, and is the only NFC team to beat the Eagles this season, running up 461 yards on them Saturday. One of the few teams not intimidated by the Vet, where they've been very competitive. Have to get by San Francisco first, but played the 49ers well in the season opener. Three road wins is probably asking too much, but they were 5-3 in away games this season.

4. Green Bay (12-4). Brett Favre has carried this team before. The Packers should beat Atlanta, but lost in Tampa this year (which is why they failed to get a bye). The defense is badly banged up and was shredded Sunday by the Jets in a game that mattered a lot — the playoffs would have gone through Lambeau Field if the Packers had won.

5. San Francisco (10-5 before Monday night's game). What would have happened to the 49ers if the Rams had played like they'd been expected to play? Maybe it was too easy in the NFC West. Sometimes it's hard to suddenly turn things on. If the 49ers get by the Giants and McNabb's not at 100 percent, they could surprise.

6. Atlanta (9-6-1). Lost three of its last four. Took Green Bay to overtime in the season opener, but that was in September at Lambeau, not January. Always dangerous with Michael Vick, but probably will go out in the first round.



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Carson Palmer's maturity shows both on and off field

BY KEN PETERS
AP Sports Writer

MIAMI — Carson Palmer arrived at Southern California as an 18-year-old punk and will leave as a 23-year-old punk. Just ask him.

Still, he and his coach really believe the Heisman Trophy winner is a lot more mature.

"I think I became a better player mentally," said Palmer, who leads the fifth-ranked Trojans against No. 3 Iowa in Thursday's Orange Bowl. "I learned a lot from all the mistakes I made, and learned simply from playing so many games."

Palmer came to USC amid great expectations in 1998, but for much of his career he struggled, along with his team. He lived up to his potential this year, however. He threw for 3,639 yards and 32 touchdowns as the Trojans went 10-2, after three seasons of failing to finish above .500.

Before leading USC past rival UCLA last month, the senior quarterback said he arrived on campus "as a punk high school kid, and now I'm a punk college kid." He obviously has come of age, which was evident in his composure and humility when receiving the Heisman on Dec. 14.

"He was so remarkably poised and so beautifully in command and so humble," coach Pete Carroll said. "He handled it exactly the way you would hope. For those who don't know him, that's just the way he is."

The coach admires the way Palmer reacted to both the bad times and the good at USC.

"I think that Carson has matured in a very special way," he said. "He had been a golden boy of sorts since high school who never really got to realize the fun of it his first few years at USC, under the spotlight of a tremendous media following.

"He didn't meet the expectations until this year, when he exceeded them. It's a great success story."

Palmer's breakout season came as he and his teammates, in their second season under Carroll and offensive coordinator Norm Chow, finally got comfortable in the offense. The scheme also was tailored to fit the skills of the quarterback and the other offensive players.

"Our offense really kind of came together," Palmer said. "We figured the offense out and started to master it at the end of the year."

Carroll said the USC coaches finally matched the right offense to Palmer and his teammates.

"I think Carson was a great player last year and the year before that, but the system didn't fit just right until we found the right makeup," Carroll said. "If we had done it a year ago, Carson would have been the same player then that he was this year — and this season he was the best player in America."

"He didn't meet the expectations until this year, when he exceeded them. It's a great success story."

— PETE CARROLL
USC coach

In the Trojans' last six regular-season games, they scored fewer than 40 points just once — in a 34-13 win over Arizona State. They beat rivals UCLA 52-21 and Notre Dame 44-13. Palmer threw for four touchdowns and 425 yards against the Irish, the most passing yards ever against them.

When he accepted the Heisman, Palmer said, "I think it was the Notre Dame game. If anyone else was playing in that game, maybe they would have gotten the trophy."

Carroll, who formerly coached the New York Jets and New England Patriots, believes the 6-foot-6, 230-pound Palmer is "well-equipped and ready" to make the transition to the NFL.

"It's very, very difficult to be an NFL quarterback, and it's very difficult to be a high draft pick, with all the expectations that go along with that," the coach said. "Almost all rookie quarterbacks get pounded, and they look like they'll never be able to find their stride.

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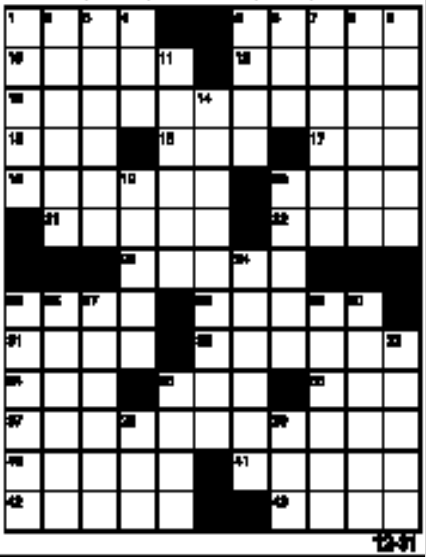
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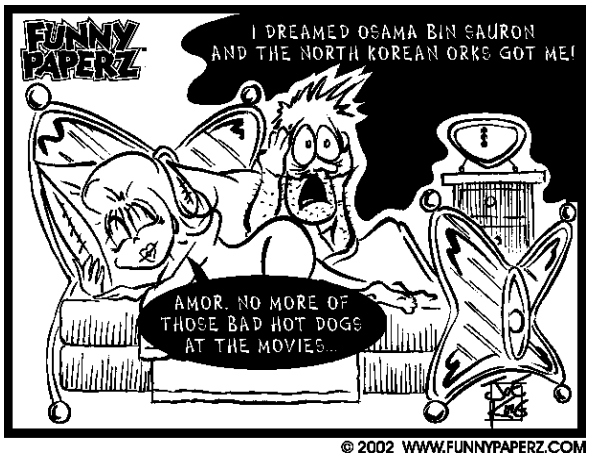


NEWS OF THE WEIRD

by Chuck Shepard

Man drowns trying to overcome fear of water

A 46-year-old non-swimmer drowned in his apartment house pool during an attempt to overcome his fear of the water (Galesburg, Ill., October). A 73-year-old man died from the extreme heat caused when a thermostat broke and would not shut off (creating such heat that, for example, all of the water evaporated from a toilet) (Great Falls, Mont., November). A 21-year-old student accidentally strangled himself with his belt, which he had looped around a door handle in a contraption to keep his head from nodding off during a marathon study session (Bangkok, Thailand, July).



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www.ellynesis.com

VENICE BEACH $1795.00 Large Upper 1bdrm/1ba. Completely restored in smaller building 1 block from beach w/ harwood floors, tile bathroom and kitchen, new electric and plumbing, dishwasher, W/D, stove, fridge. 1 year lease, no pets, parking available. (310)396-4443 ext. 102.

Elly Nesis Company, Inc.
www.ellynesis.com

VENICE BEACH $850.00 Single w/lots of charm and original hardwood floors. 1 block from the beach. Close to shopping and restaurants. 1 year lease, no pets, paid parking available. (310)396-4443 ext.102.

Elly Nesis Company, Inc.
www.ellynesis.com



For Rent

VENICE BEACH$2,400.00 Residential loft, completely renovated. 1bdrm/2ba, oakwood floors, high ceilings, rooftop patio, balcony, 2 car parking, lots of windows, lots of storage. Great looking unit. 1 year lease, no pets. (310)396-4443 x102.

Elly Nesis Company, Inc.
www.ellynesis.com

Roommates

S.M. SHARE 2bdrm furnished apt. 9th & Wilshire. $2200.00 a month, You pay only $675.00!! (310)394-1050.

SANTA MONICA $850.00 2BD/2BA in High-tech Condo. 10 blks from beach. Security. Covered parking. (310)399-5439

Massage

MASSAGE ENJOY a really great, amazing and wonderful full body massage. Swedish, deep-tissue and Tantra. (Platonic only!) No time limit. Will come to you. 24/7 Cute, slim, fit, petite mature chocolate. 14 years experience. $125/hour. Female diver w/car wanted. Dolly's pager (310)358-6535.

Massage

EXQUISITE, INTUITIVE, strong and tender relaxing bodywork by mature European. Professional Lady Sonja (310)397-0433.

REVITALIZE & Rejuvenate. Body, Mind & Spirit with a therapeutic Swedish/Deep-tissue massage. Laura (310)394-2923 (310)569-0883.

STRONG & SOOTHING deep-tissue massage. Near Promenade. Intro: $35/90min. Paul: (310)741-1901.

THERAPEUTIC MASSAGE, Swedish, Accupressure, Deep-tissue, Sports Massage, Reflexology. For apt call Tracy at (310)435-0657.

Announcements

GET YOUR HOME SOLD FAST AND FOR TOP DOLLAR! **FREE SELLERS REPORT**. (888)799-9768 ext.8606. www.losangeleshomefinders.com.

Services

HOUSE CLEANING - Available 6 a.m. to 2 p.m. Windows, laundry, general house cleaning. References available. Responsible. Reasonable prices. Call Lalo (310) 313-0848.

PERSONAL assistant seeks employment. Bartending/ house-sitting/ house-cleaning services also offered. Jill (310)582-1120.

Classified Advertising Conditions : **REGULAR RATE**: $2.50 a day. Ads over 15 words add 20¢ per word per day. Ad must run a minimum of twelve consecutive days. **PREMIUMS**: First two words caps no charge. Bold words, italics, centered lines, etc. cost extra. Please call for rates. **TYPOS**: Check your ad the first day of publication. Sorry, we do not issue credit after an ad has run more than once. **DEADLINES**: 4:00 p.m. prior the day of publication except for Monday's paper when the deadline is Friday at 4:00 p.m. **PAYMENT**: All private party ads must be pre-paid. We accept checks, credit cards, and of course cash. **CORRESPONDENCE**: To place your ad call our offices 9 a.m. to 5 p.m., Monday through Friday, (310)458-7737; send a check or money order with ad copy to The Santa Monica Daily Press, P.O. Box 1380, Santa Monica, CA 90406 or stop in at our office located at 1427 Third Street Promenade, Ste. 202. **OTHER RATES:** For information about the professional services directory or classified display ads, please call our office at (310)458-7737.

KEEP YOUR DATE STRAIGHT

Promote your event in the Santa Monica Daily Press Calendar section.
Fax all information to our Calendar Editor: Attention Angela @ 310.576.9913

CLASSIFIEDS

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Santa Monica, CA 90406-1380

Phone: 310-458-7737

FAX: 310-576-9913

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$9.50 per column inch for display ads.
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Santa Monica Daily Press

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PRINT CLEARLY:

001	Announcements	200	For Sale	500	Vehicles for Sale
010	Meetings	250	Wanted	600	Services
020	Legal Notices	300	For Rent	650	Health/Beauty
100	Employment	400	Real Estate		

SANTA MONICA SCENE °CALENDAR EDITION

TUESDAY, DECEMBER 31, 2002

TODAY

The annual Santa Monica Nativity Scenes is on display at Palisades Park along Ocean Avenue near Arizona. The 14 lighted scenes with life-size figures depicting events surrounding Christ's birth will remain on display through January 1. For more information please call (310) 453-4445.

Ongoing support groups for people 55 and older. Current openings in, So, What Are You Going to Do With the Rest of your Life? Tuesdays, 10:00 to 11:30am. Center for Healthy Aging, 2125 Arizona Avenue. Sliding scale fee. Not drop-in groups. Phone interview required. Call Information and Referral. (310)576-2550.

BEREAVEMENT SUPPORT GROUPS AT SMC'S EMERITUS COLLEGE. Santa Monica College offers free bereavement support groups in the summer session through it's Emeritus College, a widely praised program designed for older adults. Two support groups will meet Tuesdays on an ongoing basis. One group will meet from noon to 1:50 p.m. and the other from 7 p.m. to 8:50 p.m. For information and registration, call Emeritus College at (310) 434-4306.

Crossroads Schools in Santa Monica invites local musicians (grades 3-7) to join orchestra rehearsals. Rehearsals are ongoing and are held each Tuesday of the school year, from 3:15 to 4:15. Students may join at anytime. Cost is free, students must bring their own instruments. 1714 21st Street, SM. For more information please call (310)829-7391

Senior Suppers - Discounted meals for people AGE 55 or older are served daily, from 3:30 p.m. To 7 p.m., in the cafeteria at Santa Monica-UCLA Medical Center, 1250 16th Street in Santa Monica. $3.69 Info only: (310)319-4837.

Santa Monica College Emeritus College Band invites adult musicians who play a band instrument to join the band. Rehearsals are held each Tuesday evening in the Band room at Lincoln Middle School, 14th and California Streets from 7pm to 9:15pm, Concerts are given during the year. For more information call (310)474-5271.

Unurban Coffee House presents Stitch 'n' Bitch every Tuesday evening. Chicks, yarn, coffee & chat. 7:30pm to 9:30pm. 3301 Pico Blvd. (310)315-0056.

WEDNESDAY

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The Wendell Mew-Herve Laurent Jazz Duo at Kua'aina Burger! 119 Broadway, Santa Monica, 9pm. $5 cover includes a FREE beer or drink. Come celebrate the new year! (310)394-0100 for more information.

MOVIE °GUIDE

LOEWS CINIPLEX BROADWAY CINEMA
1441 Third St. at Broadway
About Schmidt (R) 12:40, 3:40, 6:40, 9:40. **Two Weeks Notice** (PG-13) 12:00, 2:30, 5;00, 7:30, 10:10. **Antwone Fisher** (PG-13) 1:20. 4:20, 7:20, 10:20. **The Hours** (PG-13) 1:00, 4:00, 7:00, 10:00.

MANN CRITERION
1313 Third St.
Harry Potter and the Chamber of Secrets (PG) 11:30, 3:15, 7:05, 10:30. **Treasure Planet** (PG) 12:00. **The Hot Chick** (PG-13) 2:30, 5:00, 7:45, 10:10. **Gangs of New York** (R) 11:15, 12:15, 3:00, 4:15, 7:10, 8:15, 10:40. **Narc** (R) 11:00, 1:45, 4:30, 7:15, 10:00.

AMC THEATRE SM 7
1310 3rd Street
Die Another Day (PG-13) 11:35, 9:50. **Drumline** (PG-13) 10:30, 4:40. **Maid in Manhattan** (PG-13) 11:45, 2:20, 4:55, 7:35, 10:05. **Star Trek: Nemesis: with Captions** (PG-13) 12:05, 2:45, 5:15, 8:00, 10:40. **The Lord of the Rings: The Two Towers** (PG-13) 11:15, 2:20, 3:05, 6:15, 7:00, 10:00, 10:40. **Catch Me If You Can** (PG-13) 10:15, 12:00, 1:20. 3:20, 4:30, 6:35, 7:35, 9:55, 10:35. **Analyze That** (R) 2:30, 7:25.

LANDMARK NU-WILSHIRE
1314 Wilshire Blvd.
Love Liza (R) 12:15, 2:30, 4:45, 7:00. **Far From Heaven** (PG-13) 2:00, 4:30, 7:00.

LAEMMLE MONICA
1332 2nd St.
Pinocchio (NR) 1:45, 4:20, 7:00, 9:40. **Frida** (R) 1:45, 4:30, 7:15, 10:05. **Sonny (R)** 1:20, 4:10, 7:00, 9:50. **Max** (R) 1:30, 4:35, 7:25, 10:05.

AERO THEATRE
1328 Montana Ave.
Bloody Sunday (R) 5:00 **Secretary** (R) 7:30, 10:00

Calendar items are printed free of charge as a service to our readers. Please submit your items to todayspaper@smdp.com for consideration. Calendar events are limited by space, and will be run at the discretion of the Calendar Editor.

BACK PAGE

Ultimatums to Iraq named top news story of 2002

BY DAVID CRARY
AP National Writer

Even with the outcome unknown, the threat of war and demand for disarmament directed at Iraq's Saddam Hussein riveted the world's attention in 2002.

The ultimatums from the U.S. government and the U.N. Security Council were voted the top story of year in The Associated Press' annual survey of its American members. The story also was voted No. 1 in a separate survey of AP subscribers outside the United States.

The showdown with Iraq received first-place votes from 132 of the 262 AP newspaper and broadcast members who voted in this year's survey.

In second place, with 83 first-place votes, was the deadly series of sniper shootings that terrorized the Washington, D.C., area. The sex abuse scandal that roiled the Roman Catholic Church was No. 3.

Last year, the Sept. 11 terror attacks were the unanimous choice of AP members as the top story. The first anniversary of those attacks was voted the No. 10 story in this year's poll.

Here are the Associated Press' top 10 stories of 2002:

1: ULTIMATUMS TO IRAQ: In January, President Bush denounced Iraq as part of an "axis of evil," and pressure on Saddam mounted steadily thereafter. U.S. forces expanded their presence around Iraq; Congress authorized the use of force, if necessary, to rid Iraq of weapons of mass destruction; and the Security Council demanded that Saddam comply fully with arms inspections or face dire consequences.

2: SNIPER KILLINGS: Residents of the nation's capital and its Maryland and Virginia suburbs were terrorized for three weeks in October by sniper attacks that struck victims randomly at malls, gas stations, even a schoolyard. After an exhaustive manhunt, two suspects were arrested and accused of killing 13 people.

3: CATHOLIC SEX ABUSE SCANDAL: The scandal surfaced early in the year in Boston, with revelations that Roman Catholic leaders had sheltered priests who were known to have abused children. By year's end, Cardinal Bernard Law had resigned as Boston's archbishop, and at least 325 priests nationwide either quit or were dismissed from their duties because of the scandal.

4: CORPORATE SCANDALS: Numerous companies were battered by financial scandals during the year, including WorldCom, Tyco, ImClone and Adelphia. Martha Stewart, homemaker-in-chief for many Americans, became entangled in the ImClone insider-trading case.

5: U.S. ECONOMY: Markets seesawed wildly, the jobless rate climbed to its highest level since 1994, and state governments across the country confronted huge deficits that prompted talk of cutbacks and tax hikes.

6: U.S. ELECTION: Defying predictions, Republicans rode Bush's popularity to a strong election performance, recapturing the Senate and gaining seats in the House

7: WAR ON TERROR: With arrests in several U.S. cities and military strikes abroad, America and its allies pursued a vast, often frustrating campaign against global terrorism.

8: MIDEAST CONFLICT: Palestinian militants escalated their campaign of suicide bombings of Israeli targets, with often devastating results, while Israel responded with tough crackdowns on Palestinian areas. Prospects for peace seemed remote.

9: MINE RESCUE: After a 77-hour ordeal that transfixed the nation, nine Pennsylvania coal miners were rescued from an underground shaft.

10: SEPT. 11 ANNIVERSARY: With bell-ringings, recitations of names, and moments of silence, America commemorated the first anniversary of Sept. 11 terrorist attacks.

In the poll of AP's international subscribers, the Middle East conflict placed second, followed by the deadly hostage-taking at a Moscow theater and the terrorist bombing of a nightclub in Bali. The U.S. corporate scandals placed fifth and the expansion of the European Union sixth.

N.Y. brings in New Year with snipers

BY SARA KUGLER
Associated Press Writer

NEW YORK — Police sealed manholes, removed mailboxes and outlined plans Monday to post snipers on roofs during the big New Year's Eve celebration in Times Square.

City officials have not received any specific threats against the celebration but thought it was "better to be safe than sorry," Mayor Michael Bloomberg said.

Photographs of several foreign-born men sought by the FBI for questioning about possible terrorist connections were distributed to officers citywide, Police Commissioner Ray Kelly said. They are believed to have entered the United States from Canada.

New York City is one place where investigators have focused their search for the men, based on information received from at least one intelligence source, officials said.

For the celebration, Kelly said a couple thousand officers will be on duty, similar to last year. Police plan to deploy undercover officers throughout the crowd and put snipers on roofs.

Bomb squads will sweep Times Square, and participants will be searched as they enter the area. Large bags will be prohibited.

Pilots will be banned from flying lower than 2,000 feet over the area.

The mayor will be joined by actor Christopher Reeve and his wife, Dana, in leading the countdown for the dropping of a 6-foot crystal ball at midnight.

The fireworks display that was canceled last year after the terrorist attacks will resume for this year's million-dollar celebration.

