

Olympic plot stopped

Chinese police break up a terror plot targeting the Beijing Olympics

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APS Chooses New Superintendent

Winston Brooks Has Run Kansas District

By ZSOMBOR PETER
Journal Staff Writer

Winston Brooks took little time displaying his trademark sense of humor after a divided board named him the new superintendent of Albuquerque Public Schools on Sunday evening by a 5-2 vote.

Just so long as I don't have to hug the guys," he said while accepting the board's congratulations.

A "thrilled to death" but very casual Brooks, 55, the current superintendent of Wichita, Kan., public schools, also wasted little time settling into his new chair

next to the board. As his first order of business, Brooks said he would hold a series of public meetings throughout the community and meet with local government and Chamber of Commerce officials.

Besides naming Brooks, the board approved a \$250,000 base salary for Albuquerque's new superintendent. Benefits will bring his annual earnings to \$276,000, according to APS

spokesman Rigo Chavez, about \$1,000 above what Brooks has been earning in Wichita.

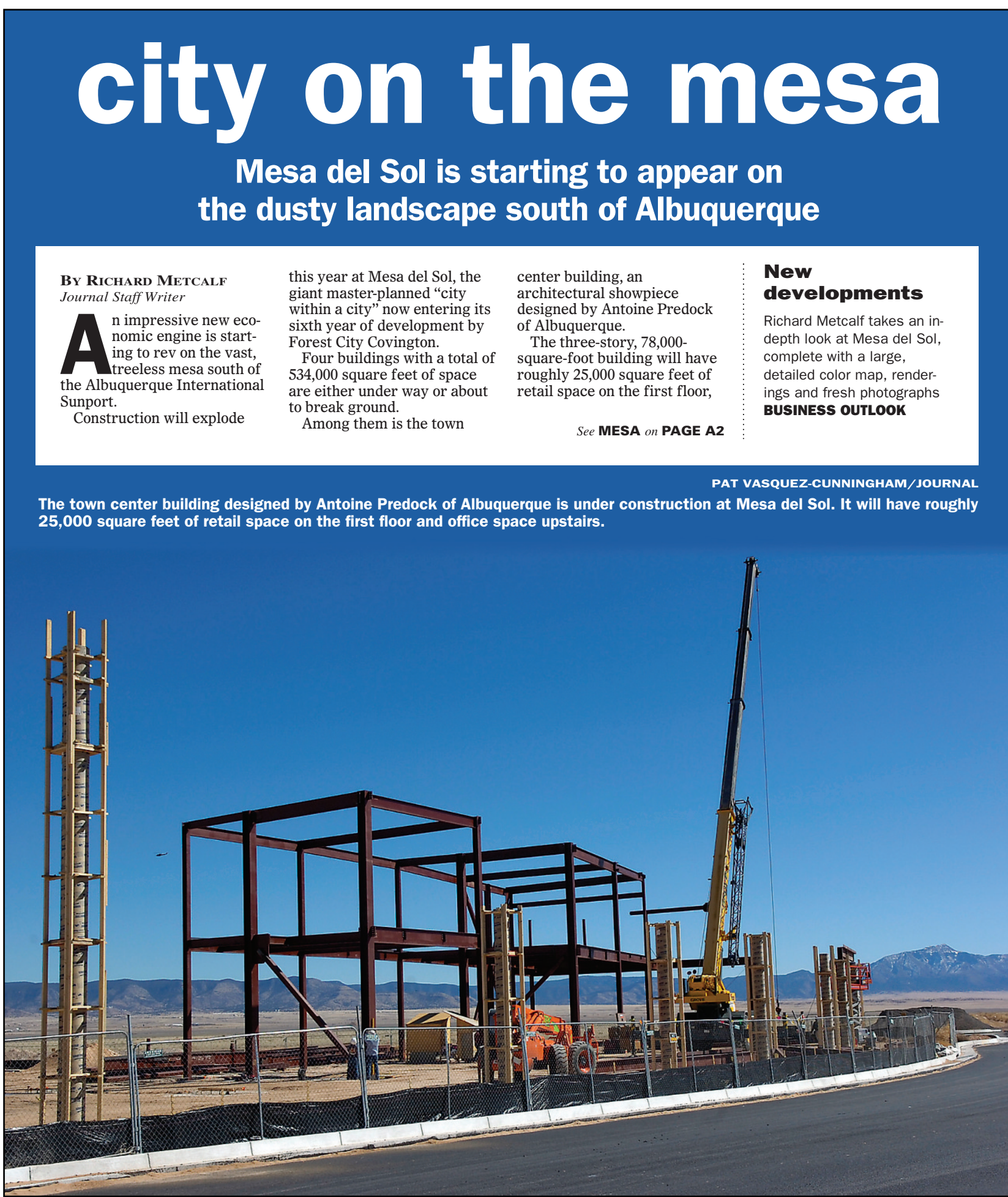
Board president Paula Maes said Brooks' experience and track record in Wichita set him apart from the rest of the five finalists vying for the job. During his 10-year tenure with Wichita Public Schools, Brooks has been recognized for both improving overall student achievement and closing

the local achievement gap. "I believe that he is the dynamic leader that will bring achievement and change" to APS, member Gordon Rowe said.

Fellow board member Dolores Griego said she settled on Brooks for the "unity" he would bring to APS.

There wasn't total unity on the

See APS on PAGE A2



city on the mesa

Mesa del Sol is starting to appear on the dusty landscape south of Albuquerque

By RICHARD METCALF
Journal Staff Writer

An impressive new economic engine is starting to rev on the vast, treeless mesa south of the Albuquerque International Sunport. Construction will explode

this year at Mesa del Sol, the giant master-planned "city within a city" now entering its sixth year of development by Forest City Covington.

Four buildings with a total of 534,000 square feet of space are either under way or about to break ground.

Among them is the town

center building, an architectural showpiece designed by Antoine Predock of Albuquerque.

The three-story, 78,000-square-foot building will have roughly 25,000 square feet of retail space on the first floor,

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New developments

Richard Metcalf takes an in-depth look at Mesa del Sol, complete with a large, detailed color map, renderings and fresh photographs

BUSINESS OUTLOOK

PAT VASQUEZ-CUNNINGHAM/JOURNAL

The town center building designed by Antoine Predock of Albuquerque is under construction at Mesa del Sol. It will have roughly 25,000 square feet of retail space on the first floor and office space upstairs.

Ex-Judge Charged With Battery

Brennan Accused of Attack On Woman in His House

By SEAN OLSON
Journal Staff Writer

Former state District Court Chief Judge W. John Brennan was arrested on felony domestic violence charges Sunday after officers allegedly witnessed him battering a woman in his home, an Albuquerque police spokesman said.

Brennan, 61, is charged with aggravated battery on a household member and kidnapping, Albuquerque Police Department spokesman John Walsh said.

Brennan did not return a phone message asking for comment Sunday evening.

Neighbors called police after they heard a woman screaming inside Brennan's home in the 1200 block of Las Lomas NE, Walsh said.

Officers heard the screaming when they arrived about 4 a.m. Sunday and allegedly saw Brennan attacking the woman through a window.

Police separated the two and Brennan, according to a criminal complaint, said he "didn't do anything."

The woman told police that Brennan had said she could spend the night because his wife wasn't home, according to the criminal complaint.

The officer who wrote the criminal complaint said the woman was wearing only a bra and pants. She told him an argument started when she asked Brennan to make "a choice about who he wanted to be with."

See FORMER on PAGE A4



BRENNAN: Arrested on suspicion of DWI and cocaine possession in 2004

Death Penalty Battle To Begin

Astorga Lawyers Say Study Shows Bias Among Jurors

By JOLINE GUTIERREZ KRUEGER
Journal Staff Writer

The battle over whether the death penalty is constitutional begins today in Albuquerque under heavy security and high expectations.

Attorneys for Michael Paul Astorga, the man suspected of killing a deputy, say they plan to introduce a study they say shows that jurors selected for death penalty trials are predisposed to the penalty and the guilt of the defendant.

The National Science Foundation-funded Capital Jury Project is based on interviews of 1,201 jurors from 354 capital trials in 14 states. New Mexico is not among those states.

"It is so clear, so blatant that when you have a death-penalty-qualified jury, you get jurors who have already decided they're going to kill your

See DEATH on PAGE A2



ASTORGA: Accused in the 2006 death of deputy

FBI Investigates 'Liars Loans'

Albuquerque home deals said to have inflated numbers, kickbacks

By MIKE GALLAGHER
Journal Investigative Reporter

Employees called them "liars loans" — home loans based on incredibly inflated income figures.

The lending industry called the loans "nonverification" or "estimated income" loans. They are part of the national mortgage industry mess, which

is a central part of housing industry collapse.

The loans are also facing increased scrutiny from the FBI and U.S. Attorneys around the country.

In Albuquerque, federal investigations are beginning to surface.

In one recent case, a mortgage broker/real estate agent is accused of claiming a purchaser's monthly income was \$26,120, when the buyer's real income was \$1,900 a month. In another application, the home buyer's monthly income was listed at an inflated \$16,500.

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Rate of Spending in Wars Rising, Book Says

Iraq To Cost \$12B A Month In 2008

BY CHARLES J. HANLEY
The Associated Press

The flow of blood may be ebbing, but the flood of money into the Iraq war is steadily rising, new analyses show.

In 2008, its sixth year, the war will cost approximately \$12 billion a month, triple the "burn" rate of its earliest years, Nobel Prize-winning economist Joseph E. Stiglitz and co-author Linda J. Bilmes report in a new book.

Beyond 2008, working with "best-case" and "realistic-moderate" scenarios, they project the Iraq and Afghan wars, including long-term U.S. military occupations of those countries, will cost the U.S. budget between \$1.7 trillion and \$2.7 trillion — or more — by 2017.

Interest on money borrowed to pay those costs could alone add \$816 billion to that bottom line, they say.

The nonpartisan Congressional Budget Office (CBO) has done its own projections and comes in lower, forecasting a cumulative cost by 2017 of \$1.2 trillion to \$1.7 trillion for the

two wars, with Iraq generally accounting for three-quarters of the costs.

Variations in such estimates stem from the sliding scales of assumptions, scenarios and budget items that are counted. But whatever the estimate, the cost will be huge, the auditors of the Government Accountability Office say.

In a Jan. 30 report to Congress, the GAO observed that the U.S. will be committing "significant" future resources to the wars, "requiring decision makers to consider difficult trade-offs as the nation faces an increasing long-range fiscal challenge."

These numbers don't include the war's cost to the rest of the world. In Iraq itself, the 2003 U.S.-led invasion — with its devastating air bombardments — and the looting and arson that followed, severely damaged electricity and other utilities, the oil industry, countless factories, hospitals, schools and other underpinnings of an economy.

No one has tried to calculate the economic damage done to Iraq, said spokesman Niels Buemann of the International Monetary Fund, which closely tracks national economies.

But millions of Iraqis have been left without jobs, and hundreds of thousands of professionals, managers and other middle-class citizens have fled the country.

In their book, "The Three Trillion Dollar War," Stiglitz, of Columbia University, and Bilmes, of Harvard, report the two wars will have cost the U.S. budget \$845 billion in 2007 dollars by next Sept. 30, end of fiscal year 2008, assuming Congress fully funds Bush administration requests. That counts not just military operations, but embassy costs, reconstruction and other war-related expenses.

That total far surpasses the \$670 billion in 2007 dollars the Congressional Research Service says was the U.S. price tag for the 12-year Vietnam War.

Although American military and Iraqi civilian casualties have declined in recent months, the rate of spending has shot up. A fully funded 2008 war budget will be 155 percent higher than 2004's, the CBO reports.

The reasons are numerous: the "surge" of additional U.S. units into Iraq; rising fuel costs; fattened bonuses to attract enlistments; and particularly

the need to "reset," that is, repair or replace worn-out, destroyed or damaged military equipment. Almost \$17 billion is appropriated this year for advanced armored vehicles to protect troops against roadside bombs.

Looking ahead, both the CBO and Stiglitz-Bilmes construct two scenarios, one in which U.S. troop levels in Iraq and Afghanistan drop sharply and early — to 30,000 by late 2009 for the CBO, and to 55,000 by 2012 for Stiglitz-Bilmes — and a second in which the draw-down is more gradual.

Significantly, the two studies view different time frames, the CBO calculating possible costs met in the next 10 years, while Stiglitz and Bilmes also include costs incurred during that period but paid for later, such as equipment replaced in post-2017 budgets.

"The CBO is only looking 10 years out on everything," Bilmes noted in an interview.

For its part, a CBO critique suggested that Bilmes and Stiglitz might be overstating the expense of treating veterans' brain injuries, a costly category.

Violence Down Despite Bombings

BY PATRICK QUINN
The Associated Press

BAGHDAD — A rash of deadly bombings blamed on al-Qaida in Iraq does not represent an upward trend in overall violence, which has plummeted around the country in recent months, the U.S. military said Sunday.

One of the reasons for the drop is a cease-fire called by anti-U.S. Shiite cleric Muqtada al-Sadr. On Sunday, the cleric called on his supporters to work on transforming his lethal and powerful Mahdi Army into a charitable organization.

"There is no contradiction for the Mahdi Army to be military and at the same time be educational and humanitarian," al-Sadr said in a leaflet handed out at his offices in the Shiite holy city of Najaf.

Violence around Iraq has dropped by about 60 percent in the past nine months, due mostly to al-Sadr's cease-fire,

an influx of thousands of U.S. troops and a decision by tens of thousands of Sunnis to join forces with the United States.

The main fronts in the war against al-Qaida have moved to central and northern Iraq as the extremists are pushed out of Baghdad and other parts of the country. U.S. forces killed five extremists, detained 26 suspects and found several weapons caches during weekend operations against al-Qaida networks operating in the central and northern parts of the country, the military said.

U.S. Navy Rear Adm. Gregory Smith, a military spokesman, said a recent wave of horrific attacks, including one on Thursday that killed 68 people in Baghdad, had to be put into context.

You have to "look historically at what has happened over the last year to really put in perspective a one week or two weeks' worth of activity inside Baghdad," Smith said.

'Liars Loans' on Homes Investigated

from PAGE A1

The idea was to "flip" high-end homes near Tramway NE, generating income from commissions and fees for the real estate agent/mortgage broker, according to an FBI search warrant affidavit filed in federal court Thursday.

Supervisory Special Agent Darrin Jones said the FBI now has 34 task forces and working groups around the country, including Albuquerque, investigating mortgage fraud.

In 2007, the FBI had 1,200 open mortgage fraud investigations nationwide with 60 percent of the mortgages involved exceeding \$1 million. Jones said the FBI expects the number to increase in the coming years.

Locally, Jones said, agents have several pending cases, although no one has been charged yet. Typically, a mortgage fraud case takes one to two years from inception of an investigation until its conclusion in court.

Money funneled

Investigators are more concerned with what they call mortgage fraud for profit rather than home buyers fudging on their incomes to qualify for a mortgage on a home in which they intend to live.

The target of the investigation that surfaced Thursday is Kevin Powers, president of Powers Mortgage Group Inc. and a real estate agent.

The affidavit lays out two residential transactions in which Powers is accused of obtaining financing for others to buy two different homes at inflated prices, using inflated and false income figures to qualify for the loans.

In each case, Powers acted as the mortgage loan originator and real estate agent.

FBI agents believe Powers structured real estate deals at inflated prices to help provide money to his construction company, K&E Construction, which then gave back to the borrowers.

Powers told the borrowers to make mortgage payments with the money they received. The idea was then to relist the homes for sale.

FBI agents searched Powers office Wednesday for documents and computer records.



PAT VASQUEZ-CUNNINGHAM/JOURNAL

This home in the 12000 block of Holly NE was sold for more than \$861,000, according to an FBI search warrant affidavit.

Powers' attorney Jason Bowles said, "The FBI is making Mr. Powers a scapegoat for the entire subprime mortgage collapse."

Bowles said no charges have been filed against Powers.

The search warrant details transactions on two Northeast Heights properties — one on Eagle Rock NE and the other on Holly NE.

According to the affidavit, the Eagle Rock Road property was valued at \$500,000 but purchased for \$760,000. At closing, \$210,000 was transferred to K&E Construction for renovations listed as an additional settlement charge at closing.

The \$210,000 was transferred to the buyer of the property to make mortgage payments.

Powers received more than \$40,000 for loan origination fees and real estate commissions.

The buyer's income was inflated to more than \$16,000 a month, but she was assured that it was legal as long as she had good credit. An employee referred to the loans as "liars loans," according to the affidavit.

\$50,000 commission

The affidavit says the second property, on Holly NE, was sold for more than \$861,000 with \$350,000 going to K&E construction. The money was given back to the buyer to use for

renovations and mortgage payments.

Powers received more than \$50,000 in commissions and fees on that transaction, according to the affidavit.

The FBI also reported tape-recorded conversations between the buyer of the Holly property and Powers.

The affidavit recounts parts of the conversations:

The cooperating witness asked Powers about the transaction — "But it's not illegal?"

Powers responded, "Not quite. It, you're ... I told you, we dance in the gray area there. You got to make sure everything was covered."

Later in the conversation, Powers says, "Let me be honest with you right here. So this is the part that will get us both in trouble, so this part you got to avoid. The lender put the money on the table, the seller took the money and then gave it right back to you. That's a kick-back. OK."

Powers advises the buyer not to let anything slip: "You won't go to jail. You can't go to jail; I mean everything's legit."

"Here, that part, they don't need to know as long as you don't (expletive) let that slip, none of us are going to get in trouble. You let that slip that you put \$344,000 in your hand, we could both get into trouble."

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Former Judge Accused Of Aggravated Battery

from PAGE A1

She also told the officer that she "was battered and held against her will by John, her boyfriend, because John wanted her to 'be with a prostitute.'"

She told police she was allegedly "choked and chased by him," Walsh said. He said she was treated for injuries at the house and released.

Brennan was the chief judge in the 2nd Judicial District in Albuquerque for nearly 20 years. On Memorial Day weekend 2004, he was arrested on suspicion of driving while intoxicated and cocaine possession. He resigned from the bench shortly afterward.

Brennan pleaded guilty to the charges and received a year of probation and two days of house arrest. He also surrendered his state bar license.

He checked himself into the Betty Ford Clinic in Palm Springs, Calif., to treat what he has in later interviews called substance abuse problems.

As of a year ago, Brennan worked as a consultant for the local Second Chance rehabilitation program.

In a September 2006 interview with the Journal, Brennan discussed the DWI and cocaine possession charges.

"I, like every other person, have problems and make mistakes. I made a serious mistake. I wasn't dealing with some personal problems I had. It ended up with my being involved in substance abuse, mostly alcohol," Brennan said.

Walsh said the woman told police she was afraid for her life during the incident and, at one point, thought about jumping from a second-story window.

The kidnapping charge results from suspicion that Brennan held the woman against her will and moved her within the home against her will, Walsh said.

Brennan was released from the Metropolitan Detention Center on Sunday after posting a \$25,000 bond.

He is to be arraigned today at 1:30 p.m.

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