



Lawmaker's home sale questioned

Cunningham defends deal with defense firm's owner

By Marcus Stern
COPLEY NEWS SERVICE

WASHINGTON — A defense contractor with ties to Rep. Randy "Duke" Cunningham took a \$700,000 loss on the purchase of the congressman's Del Mar house while the congressman, a member of the influential defense appropriations subcommittee, was supporting the contractor's efforts to get

tens of millions of dollars in contracts from the Pentagon.

Mitchell Wade bought the San Diego Republican's house for \$1,675,000 in November 2003 and put it back on the market almost immediately for roughly the same price. But the Del Mar house languished unsold and vacant for 261 days before selling for \$975,000.

Meanwhile, Cunningham used the proceeds of the \$1,675,000 sale to buy a \$2.55 million house in Rancho Santa Fe. And Wade, who had been suffering through a flat period in winning Pentagon contracts, was

on a tear — reeling in tens of millions of dollars in defense and intelligence-related contracts.

In an interview Wednesday, Cunningham conceded that the circumstances surrounding the transaction could raise "fair" questions, but he insisted that the real estate deal was legitimate and independent of his efforts to help Wade win contracts.

"My whole life I've lived aboveboard," Cunningham said. "I've never even smoked a marijuana cigarette. I don't cheat. If a



Rep. Randy "Duke" Cunningham

SEE Sale, A18

Companies taking their business elsewhere

County's home prices, pay, cost of living cited

By Dean Calbreath
STAFF WRITER

For the first time in nearly a decade, more people moved out of San Diego County last year than moved here from other U.S. locales and economists say the trend could continue as local workers find it harder to cope with stagnant salaries, a high cost of living and skyrocketing home prices.

In the past week, several major employers, including Intel and Capital One Auto Finance, announced plans to transfer hundreds of workers out of the region.

Although each company had its own reasons for moving, some — most recently the 135-employee kelp harvester International Specialty Products — cited the growing cost of operating in San Diego County as a reason for leaving the area.

Also, corporate relocation specialists say the area's high costs are making it increasingly hard to find newcomers to replace the companies that are departing.

"Employees, especially if they're not executives, are finding it harder to move here when a company relocates," said Barbara Brokaw, director of relocation services at ERA Eagle Associates Realty in Carmel Valley. "We deal with people who come to San Diego to interview for a job, but when we tell them about the area, they often

SEE Relocation, A12



John Gibbons / Union-Tribune photos

CHANGE IN PLANS

As Superintendent Alan Bersin prepares to leave S.D. a year early, he stands by his education blueprint although a new school board is rethinking parts of it

By Maureen Magee and Helen Gao
STAFF WRITERS

For seven years, Alan Bersin and his Blueprint for Student Success have been all but synonymous with public education in San Diego.

Now that the superintendent of California's second largest school system is leaving to become state education secretary, the blueprint is losing its hold. A skeptical school board already has done away with some elements of the education plan, and it is reviewing the rest.

On Bersin's watch, San Diego's elementary school children have made progress that's prompted praise from academic scholars nationwide. Innovative charter

schools have flourished. New libraries and campus buildings have sprung up across the city. Millions of dollars in grants have flowed in from philanthropic foundations.

At the same time, however, urban districts throughout the state have made similar, sometimes greater, academic gains, arguably with less rancor.

And the blueprint largely fizzled in middle and high schools.

Meanwhile, Bersin's relationship with the teachers union has been rocky from the day he was hired in 1998. Expensive meddling in school board elections by Bersin's family and friends backfired, most notably in 2000 when big money failed to oust his

SEE Bersin, A16

34 Iraqis and two Marines die in continuing violence

By Edward Wong
NEW YORK TIMES NEWS SERVICE

BAGHDAD, Iraq — At least 34 Iraqis and two U.S. Marines were killed in violence in central and western Iraq yesterday and Friday night, Iraqi and U.S. officials said.

Iraqi forces also reported finding the bodies of two Sudanese men in the capital, and U.S. soldiers fatally shot two Iraqis working as security contractors and wounded two others, an Interior Ministry official said.

In one of the more startling attacks yesterday morning, a former

member of an elite Iraqi commando unit known as the Wolf Brigade entered the brigade's headquarters in eastern Baghdad and detonated explosives strapped to his body, said Interior Minister Bayan Jabr.

The explosion killed at least three Iraqi soldiers and one other person.

The Wolf Brigade originally was based in Mosul and recently moved to Baghdad, Jabr said. He said the bomber appeared to be trying to kill the unit's commander,



Children took in the eerie site of a wrecked Baghdad restaurant a day after two youngsters waiting for falafel and ice cream were killed Friday by a car bomb that exploded outside. At least eight other people also died. Associated Press

SEE Iraq, A19

Negroponte to help choose new FBI chief of intelligence

By David Johnston
NEW YORK TIMES NEWS SERVICE

WASHINGTON — Under pressure from the White House, the Federal Bureau of Investigation has agreed to adopt the recommendations of a presidential commission and will allow Director of National Intelligence John Negroponte to help choose a powerful new intelligence chief at the FBI, Bush administration officials say.

The appointment would, for the first time in the bureau's history, give an outsider a significant role in the selection of a high-level official at the FBI, an agency long regarded by its critics as fiercely protective of its turf and resistant to change.

The new intelligence chief, who will be chosen jointly by Negroponte and FBI Director Robert Mueller, would have the tentative title of associate director for intelligence and in effect be the third-ranking official at the bureau.

The FBI's acceptance of the proposals represents a recognition within the bureau that it can no longer resist change, after a series of reports that have scathingly criticized it for intelligence lapses.

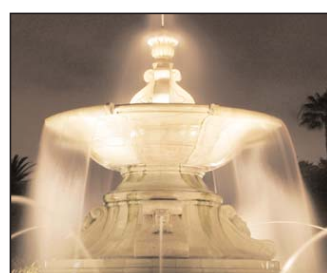
The recommendation to appoint a new head of intelligence, along with

SEE FBI, A8

BY DEGREES
Pomp and circumstance at UCSD includes university's 100,000th graduate.
LOCAL, B1

RED STARS

Five Soviet women who flew fighter planes in World War II will be honored at a Balboa Park ceremony Saturday.
CURRENTS, E1



CALMING WATERS
Fountains offer tranquility and heat relief throughout the county.
HOME, I-1

FASTER THAN A SPEEDING BULLET

Hometown star Monique Henderson runs a blazing 400 meters at the NCAA Track and Field Championships.
SPORTS, C1



NOT FOR THE BEACH

Book Editor Arthur Salm's summer reading list is always heavy on classics. BOOKS



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