"All the News That's Fit to Print"

# The New York Times

**Late Edition** 

**Today,** sun and clouds, hot, humid, high 95. **Tonight,** mostly clear, warm, low 78. **Tomorrow,** sun, a strong afternoon thunderstorm, high 96. Weather map, Page D8.

FINANCES PLAGUE

**COMPANY RUNNING** 

HALFWAY HOUSES

**CLOSE TIES TO CHRISTIE** 

New Jersey Corrections

**Operator Considered** 

2010 Bankruptcy

By SAM DOLNICK

as large as prisons, has had such severe financial difficulties over

the last four years that it con-

templated filing for bankruptcy in 2010, according to newly dis-

Senior executives at the company, Community Education Centers, even feared at the time that

they might not have enough

money to pay workers, the docu-

Community Education's senior vice president, William J. Palatucci, is one of Gov. Chris Chris-

tie's closest friends and political

advisers, and Mr. Christie has

Not long before Mr. Christie

Since then, the state, while

paying the company tens of mil-

lions of dollars a year for its serv-ices, has not closely examined

Community Education's financial

standing or operations, according

to the documents, former compa-

ny executives and state officials.

If Community Education were

to collapse, that could significant-

ly disrupt New Jersey's correc-

tions system, and if the company

remains financially hobbled, its

halfway houses in New Jersey

The documents also suggest

that Community Education's

chief executive, John J. Clancy,

highlighted Mr. Palatucci's ties to

Mr. Christie in an effort to im-

press investors and secure des-

perately needed financing for the

The documents were sub-

mitted on Friday in federal court

in Newark in an employment

lawsuit brought against Commu-

nity Education by a former exec-

utive. They portray a company

that has been in crisis and trying

to fend off creditors, even as it

has mounted a robust lobbying

The New York Times, in a

three-part series last month, detailed extensive problems in New

Jersey's halfway houses, including escapes, violence and drug use. The system of halfway

houses, which the state has long promoted as a national model. handles thousands of inmates an-

nually who are leaving prison or

and public relations campaign.

could continue to suffer.

company.

on parole.

took office in January 2010, Community Education defaulted on

long championed the company.

its debt, the documents show.

closed documents.

ments show.

A company that plays a critical role in New Jersey's corrections system, running halfway houses

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# RISE IN PILL ABUSE FORCES NEW LOOK AT U.S. DRUG FIGHT

**MEXICO TACTICS DEBATED** 

Focus on Flow of Illegal Drugs Is Rethought in Painkiller Era

> By DAMIEN CAVE and MICHAEL S. SCHMIDT

MEXICO CITY - America's drug problem is shifting from illicit substances like cocaine to abuse of prescription painkillers, a change that is forcing policy makers to re-examine the long and expensive strategy of trying to stop illegal drugs from entering the United States.

This rethinking extends be-yond the United States, where policy makers are debating how to better reduce demand for painkillers. The effects would also be felt here and in Central America: With the drug wars in Mexico inflaming violence, some argue that the money now used for interdiction could be better spent building up the institutions — especially courts and prosecutors' offices — that would lead to long-term stability in Mexico and else-

"The policies the United States has had for the last 41 years have become irrelevant," said Morris Panner, a former counternarcotics prosecutor in New York and at the American Embassy in Colombia, who is now an adviser at Harvard's Kennedy School of Government. "The United States was worried about shipments of cocaine and heroin for years, but whether those policies worked or not doesn't matter because they are now worried about Americans using prescription drugs."

The same sense that there is a need for a new approach was expressed last week by Gov. Chris Christie of New Jersey, a former federal prosecutor, who declared the war on drugs "a failure" that imprisons people who really need treatment.

While a major change in policy is not imminent - "It's all aircraft carriers, none of it moves on a dime," as one senior Obama ad ministration official put it — the election of a new president in Mexico, Enrique Peña Nieto, is very likely to have an immediate impact on the debate. Mr. Peña Nieto has promised to focus not on drugs but rather on reducing the violent crimes that most af-

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JASON REED/REUTERS

Does the President Say Cheese?

President Obama, who caused a stir at Skyline Chili in Cincinnati, kept up his war of words with Mitt Romney on Monday. Page A16.

## Yahoo Search Calls Up Chief From Google

By ANDREW ROSS SORKIN and EVELYN M. RUSLI

Marissa Mayer, one of the top executives at Google, will be the next chief of Yahoo, making her one of the most prominent women in Silicon Valley and corporate

The appointment of Ms. Mayer is considered a coup for Yahoo, which has struggled in recent years to attract top talent in its battle with competitors. One of the few public faces of Google, Ms. Mayer, 37, has been responsible for the look and feel of some of the search company's most popular products.

Despite her background, Ms. Mayer — who will be Yahoo's fifth chief executive in less than a vear, two of them interim face a daunting challenge.

A pioneering Internet company that helped shape the industry in the 1990s, Yahoo is trying to remain relevant after failing to adapt to changing innovations like sophisticated search technology and social media tools. As

Continued on Page A3

# Mormons' First Families Rally Behind Romney

By JIM RUTENBERG

SALT LAKE CITY — In the mid-1800s, newly converted families from across the United States and Europe gathered in the growing Mormon town of Nauvoo, Ill., to help their prophet, Joseph Smith, build a New Jerusalem.

Soon driven out by anti-Mormon neighbors who killed Mr. Smith and his brother Hyrum, they trekked westward by foot and on horseback, chased by Indians, cholera and even United States troops before settling together safely in Utah.

Now, more than 150 years later, descendants of those first families of Mormonism are joining together in a new effort: delivering the White House to Mitt Romney, whose great-great-grandfather Miles Romney settled alongside many of their ancestors in Nauvoo in 1841 and joined their torturous migration.

These families - Marriotts, Rollinses, Gardners and others — have formed a financial bulwark and support network for Mr. Romney at every important point in his political career. Starting with his 1994 Senate race, moving into the 2002 Salt Lake City Olympics effort that became his political springboard and continuing through his first foray into presidential politics, they have been there to open doors, provide seed money and rally support.

Mr. Romney's candidacy has produced great Continued on Page A15



**New Orleans Pays Its Respects** 

Lionel Batiste of the Treme Brass Band, known as Uncle Lionel, was honored in kind. Page A12.

Community Education has

Continued on Page A3

## Cuba Hits Wall in 2-Year Push To Expand the Private Sector

**By VICTORIA BURNETT** 

HAVANA — Nearly two years into the Cuban government's economic overhaul aimed at slashing public payrolls and bolstering private enterprise, the reforms have slowed so much that many Cuban entrepreneurs and intellectuals are questioning the aging leadership's ability — or will - to reshape one of the world's last Communist systems and shift nearly half of the island's output to private hands.

Those awaiting measures to create even more opportunity for private business got the opposite last week, when news spread of a little-advertised government decision to charge steep customs duties on the informal imports, from Miami and elsewhere, that are the lifeblood of many young businesses.

"This could have a huge impact," said Emilio Morales, president of the Miami-based Havana Consulting Group, who said state-owned shops in Cuba were losing business to street vendors. "It shows the state isn't ready to

Continued on Page All

## In Tiny Bean, India's Dirt-Poor Farmers Strike Gas-Drilling Gold

## By GARDINER HARRIS

LORDI, India — Sohan Singh's shoeless children have spent most of their lives hungry, dirty and hot. A farmer in a desert land, Mr. Singh could not afford anything better than a mud hut and a barely adequate diet for his

But it just so happens that

when the hard little bean that Mr. low farmers raise. Singh grows is ground up, it becomes an essential ingredient for mining oil and natural gas in a process called hydraulic fractur-

Halfway around the world, earnings are down for an oil services giant, Halliburton, because prices have risen for guar, the bean that Mr. Singh and his fel-

Halliburton's loss was, in a rather significant way, Mr. Singh's gain — a rare victory for the littlest of the little guys in global trade. The increase in guar prices is helping to transform this part of the state of Rajasthan in northwestern India, one of the world's poorest places. Tractor sales are soaring, land prices are

increasing and weddings have grown even more gaudy.

"Now we have enough food, and we have a house made of stone," Mr. Singh said proudly while his rail-thin children stared in awe.

Guar, a modest bean so hard that it can crack teeth, has become an unlikely global player,

Continued on Page A6

NATIONAL A12-16

## A Burst of Online Courses

In a major shift in online learning, a dozen prominent universities are joining a venture by the year-old company Coursera. It will offer 100 or more free open online courses.

## Stalling Claimed on Food Rules

Consumer groups that helped promote a landmark food safety law say the Obama administration is holding up rules that would put it into effect.

INTERNATIONAL A4-11

#### Big Antinuclear Rally in Tokyo Protesters at the largest antinuclear ral-

ly since the Fukushima disaster urged the government to halt its restart of reactors. Polls suggest the Japanese are divided over nuclear power.

#### U.S. Fires On Boat Off Dubai

A naval supply ship in the Persian Gulf fired on a fishing boat that had ignored warnings to stop, killing a crew member and causing oil prices to spike. PAGE A8



SCIENCE TIMES D1-8

## Silence of the Whales

Scientists, who have long known that man-made, underwater noises from such things as sonar and weapons testing are deafening whales and other sea mammals, have now discovered that whales can "close" their ears to lessen their sensitivity to such noises. PAGE D1

ARTS C1-8

## Watching the Clock, Literally

"The Clock," Christian Marclay's endless loop of movie moments playing at Lincoln Center, is a beguiling dream of eternal cinema and also a startling wake-up call.

**BUSINESS DAY B1-8** 

## Another Bank Tied to Scandal

The Royal Bank of Scotland is refusing to turn over to Canadian regulators information about the bank's role in an interest rate-rigging scandal.

NEW YORK A17-22

## Cuomo's Bid for E-Mail Secrecy

Gov. Andrew M. Cuomo vowed transparency, but his administration boasts of leaving few footprints. PAGE A17

SPORTSTUESDAY B9-14

#### What to Make of Lin Situation Analyzing the Knicks' predicament with

Jeremy Lin, and the costs of keeping him against letting him leave. PAGE B9

EDITORIAL, OP-ED A24-25

Joe Nocera

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