Official: L.A. Arson Suspect Cursed America

LOS ANGELES (AP) — Harry Burkhart watched as his mother was arrested last week on fraud charges from their native Germany, and a day later he exploded in an expletive-laced rant against the U.S. at her court hearing.

The next day, police say, the 24-year-old began a nighttime rampage of arson attacks that terrorized Los Angeles.

Authorities have yet to disclose why they believe that the ponytailed, 24-year-old Hollywood resident set the fires, but his mother's legal trouble provides one glimpse into the turmoil in his

Court documents unsealed Tuesday said Dorothee Burkhart, who is in her 50s, was charged with 19 counts of fraud in Frankfurt, including failing to pay for a 2004 breast-augmentation surgery and pilfering security deposits from renters.

In a brief court appearance, she appeared perplexed, wondering aloud if her son was dead.

NYPD Says Suspect Admits Firebomb Attacks

NEW YORK (AP) — A man confessed Tuesday to hurling crude Molotov cocktails at an Islamic cultural center and four other New York-area sites on New Year's Day because of personal grievances with all of the targets, police said.

The man was taken into custody Tuesday after he was tracked through a car with Virginia license plates that was believed to be at the scene of at least two of the attacks Sunday evening on a convenience store, two homes and the cultural center, authorities said.

His name wasn't immediately released. He made statements implicating himself in the attacks and had personal problems with each location. Two homes in Queens, one in neighboring Nassau County, the center and the store, said Paul Browne, spokesman for the New York Police Department.

He is facing arson-related charges, and it was unclear Tuesday afternoon whether the attacks were considered hate crimes, which could bring extra penalties.

Man Dies At Alaska Center For Street Alcoholics

SEATTLE (AP) - A man who was slurring his speech and appeared intoxicated was found dead on New Year's Day at a controversial center in Anchorage where chronic street alcoholics are allowed to keep drinking.

The center has been under fire for its unconventional approach to dealing with alcoholism in Anchorage, where advocates have been looking for new ways to help homeless alcoholics after more than 20 people — most of them severely intoxicated — died outdoors over a 12-month period in 2009 and 2010.

Employees checked on 54-year-old John Kort several times Sunday after a visitor noticed that he appeared drunk and was having trouble walking. Kort was escorted to his room where a manor employee lay him down on the bed and rolled him onto his side. When he was checked 40 minutes later, Kort was sitting on the floor with his head against the bed. He again was placed on his bed and on

When an employee checked on him a third time, Kort was facedown on his bed, not breathing and his hands were cold, said Anchorage police spokesman Dave Parker. Police and paramedics could not revive him.

Woman Sues Honda In Small-Claims Court

TORRANCE, Calif. (AP) — A woman who expected her Civic Hybrid to be her dream car wants Honda to pay for not delivering the 50 mpg it promised.

But rather than joining other owners in a class-action lawsuit, Heather Peters is going solo against the automaker in small-claims court, an unusual move that could offer a bigger payout. And if successful, it could open the door to a flood of similar lawsuits.

A trial is set for Tuesday in Torrance, where American Honda Motor Co. has its West Coast headquarters.

Peters, a former lawyer, says that as her vehicle's battery deteri-

orated, it got only 30 mpg.
When Honda ignored her complaints, she filed legal papers seeking reimbursement for her trouble and the extra money she spent on gas. The suit could cost the company up to \$10,000.

Fed To Forecast Interest-Rate Changes

WASHINGTON (AP) — The Federal Reserve will start updating the public four times a year on how long it plans to keep shortterm interest rates at record lows, according to minutes from its December policy meeting.

The first forecast will be included in the central bank's economic projections after its Jan. 24-25 meeting, the minutes said.

The change in the Fed's communication strategy could help assure investors, companies and consumers that rates won't rise before a specific time. This might help lower long-term yields further - in effect providing a kind of stimulus.

The Fed has previously said that it plans to keep its key shortterm rate near zero until at least mid-2013, unless the economy

Cat Survives Euthanasia Attempts In Utah

WEST VALLEY CITY, Utah (AP) — A stray cat has survived two trips to a Utah animal shelter's gas chamber, leading shelter volunteers to seek a switch of its euthanasia method to lethal injection. which they called more humane.

Volunteers with the West Valley City's animal shelter were expected to appear at a city council meeting Tuesday evening to argue for the switch from carbon monoxide poisoning to injections of sodium pentobarbital.

No one adopted Andrea, a longhaired black cat with white paws and green eyes, in 30 days, so shelter officials tried to put her to death in October. She survived, so they gassed her again.

Shelter officials detected no vital signs and presumed she was dead after the second try, so they put her in a plastic bag in a cooler. But when they checked the bag, they saw she had vomited on herself and had hypothermia, but was alive.

Officials decided to stop trying to kill her.

Iran Defiant Amid Appeals For European Sanctions

DUBAI, United Arab Emirates (AP) — Iran closed out naval war games in the Gulf on Tuesday much the way they began last month: striking a tone of military defiance while Western powers rallied behind tougher oil and financial sanctions as a crippling tool against Tehran's nuclear program.

The standoff atmosphere — less than a week after Iran warned it could block one of the world's key oil tanker sea lanes in response to economic pressures — appeared to deepen further with an Iranian general suggesting a U.S. aircraft carrier is not welcome to return to the Gulf.

In Paris, meanwhile, France's foreign minister said there is "no doubt" that Iran is moving toward a nuclear weapon and urged Europe to match America's tighter sanctions set in motion last week. Alain Juppe said the measures could include targeting Iran's Central Bank and imposing an Iranian oil embargo.

A Western snub of one of OPEC's heavyweight exporters would still leave Iran with many oil-hungry markets such as China and India — and give Tehran crucial economic lifelines to resist the U.S. and its allies. But worries that Gulf tensions could disrupt supplies sent oil above \$101 a barrel and piled more pressure on Iran's currency, the rial, which hit record lows against the dollar earlier this week.

"It's clear the economy is in dire straits

"It's clear the economy is in dire straits and the sanctions are having an impact no matter what Iranian officials say. Hitting the oil sectors may push the economy down even further, but that doesn't mean Iran will bend to the West."

SALMAN SHAIKH

and the sanctions are having an impact no matter what Iranian officials say," said Salman Shaikh, director of The Brookings Doha Center in Oatar. "Hitting the oil sectors may push the economy down even further, but that doesn't mean Iran will bend to the

Iran has proposed restarting international talks on its nuclear program, which Tehran insists is only for peaceful energy and research purposes. The offer to reopen dialogue is widely interpreted as a sign that Western sanctions are taking a serious bite. But the outreach could also include preconditions such as easing the economic pressures, which would likely meet strong resistance in Washington and elsewhere.

"This has become the classic Iranian ap-

proach all along with the nuclear issue: try to buy some time with offers of cooperation but then coming back with the hard line," Shaikh said.

As 10-day naval maneuvers wrapped up, Iran's army chief, Gen. Ataollah Salehi, said an "American warship" that left the Gulf should not return. He didn't cite a specific vessel, but the U.S. Navy's 5th Fleet has said that the aircraft carrier USS John C. Stennis and another vessel headed out from the Gulf and through the Strait of Hormuz last week after a visit to Dubai's Jebel Ali port.

Pentagon spokesman George Little said Tuesday the U.S. presence in the Gulf is in compliance with international law and the Navy would maintain what he called a "constant state of high vigilance" in order to ensure the flow of sea commerce.

The 5th Fleet, based in Bahrain, is one of the Pentagon's main counterbalances to Iran's expanding military role in the Gulf. France and Britain also have warships stationed in the region. In addition, U.S. allies Saudi Arabia and the United Arab Emirates recently closed deals for major arms

Iran has responded by seeking to widen its naval power in the Gulf and beyond, including a voyage last year into the Mediterranean and claims that Iranian warships could soon sail into international waters off America's eastern seaboard.

Taliban To Open Office In Qatar For Peace Talks

tries are at an all-time low follow-

resulted in NATO airstrikes killing

As the United States begins to

ing a cross-border incident that

draw down the nearly 100,000

forces it has in Afghanistan, Pres-

ident Barack Obama's adminis-

tration wants to use its current

extensive military campaign and

an acknowledged but incomplete

presence in the country as lever-

age to draw the Taliban into talks

The likelihood that the Tal-

force after most foreign forces

leave by the end of 2014 is driv-

even an incomplete bargain with

For the U.S., one goal of such

talks would be to identify cease-

fire zones that could be used as a

steppingstone toward a full peace

the insurgents that would keep

them talking with the Kabul

agreement that stops most

government.

fighting.

ing the U.S. and NATO to seek

iban will remain a potent fighting

plan for a long-term American

with Karzai representatives.

24 Pakistani soldiers.

BY RAHIM FAIEZ AND PATRICK OUINN

Associated Press

KABUL, Afghanistan — The Taliban announced Tuesday that they will open an office in the Persian Gulf nation of Qatar to hold talks with the United States, an unprecedented step toward a peace process that might lead to a winding down of the 10-year war in Afghanistan.

Although U.S. and Taliban representatives have met secretly several times over the past year in Europe and the Persian Gulf, this is the first time the Islamist insurgent group has publicly expressed willingness for substantive negotiations.

In recent months, the idea of a Taliban political office in the Qatari capital of Doha has become a central element in U.S. efforts to draw the insurgents into such talks. The idea is to give the Taliban more legitimacy to negotiate in a location that presumably would at least partly shield them from Pakistani pressure.

Asked about the Taliban announcement, White House spokesman Jay Carney welcomed "any step ... of the Afghan-led process toward reconciliation." He noted that "peace cannot come to Afghanistan without a political settlement."

But negotiations could falter if they do not sufficiently involve President Hamid Karzai's government, which the Taliban have dismissed as a puppet regime. Karzai's inner circle derailed last year's behind-the-scenes talks, and the Afghan leader only grudgingly agreed to the idea of the Taliban's setting up a liaison office in Qatar.

Another potential spoiler is Pakistan, which houses most of the Taliban leadership as well as the Haqqani network, which carries out major attacks in the Afghan capital of Kabul. Pakistan believes it should have a say in any talks involving neighboring Afghanistan, which it fears will develop an alliance with its archrival, India.

Pakistan has rejected U.S. requests to mount an offensive against the Haqqani network, and relations between the two coun-

Wall Street's Happy New Year: Dow Up Almost 180

BY PALLAVI GOGOI AP Business Writer

NEW YORK — The stock market got a big jump on a better

After a flat 2011, stocks rose sharply Tuesday in the first trading of 2012 after investors returned from the holiday and found encouraging economic reports from the United States and

around the world. The Dow Jones industrial average rose 179.82 points, or 1.4 percent, to 12,397.38, its highest close in more than five months.

The Standard & Poor's 500 index, a broader gauge than the Dow, finished up almost 20 points at 1,277. The S&P finished 2011 almost exactly where it started — down a sliver, 0.04 of a point.

The market may have gotten an extra boost from what's known as the January effect: Investors sell stocks at the end of the year to lock in losses for tax purposes, then come back in January and buy stocks again.

The effect could be more pronounced this year because the stock market was so volatile in 2011 and more investors had losses to take, said Sam Stovall, chief equity strategist at Standard & Poor's Capital IQ.

Money managers also usually get a fresh infusion of cash at the beginning of the year because workers who maxed out their contributions to retirement accounts well before the previous year ended start contributing

These investors are back hunting for bargains, he said: "Investors are a lot like dieters and look to January as a new beginning."

January is a fairly good predictor of the year for U.S. stocks. Only seven times since 1950 has January turned out to be a "major error" in predicting the year to come, according to the Stock Trader's Almanac.

In other words, whichever direction the market has gone in January, the rest of the year has usually followed.



