

IRS: Millionaires More Likely To Be Audited

WASHINGTON (AP) — One in eight people earning at least \$1 million annually were audited by the Internal Revenue Service last year, making them far likelier to be examined than those making below \$200,000, according to IRS data released Thursday.

Just 1 in 100 individuals earning less than \$200,000 had their income tax returns examined, the IRS said.

The 12 percent of millionaire earners audited in 2010 was appreciably higher than the 8 percent who were audited in 2009. IRS officials said the high ratio was part of an effort to demonstrate that tax laws are applied fairly.

“That has been something we’ve concentrated on to assure that there’s equity in the system, to assure that those at the lower end of the spectrum know that those at the higher end of the spectrum are subject to the same rules and enforcement as everyone else,” Steven Miller, deputy IRS commissioner for services and enforcement, said in an interview.

The IRS said its overall effort to collect all taxes owed netted \$55 billion. That is nearly \$3 billion less than the previous year, which Miller attributed to a falloff in estate taxes and corporations writing off their losses.

Police Use Cadaver Dog In Search For Toddler

COLUMBIA, S.C. (AP) — Cadaver dogs looking for a South Carolina boy searched his mother’s car and home as she sat in jail on charges of lying to police about what she did with her son, though authorities were not saying whether they found any evidence the toddler was dead.

Despite the grim search, authorities tried to stay optimistic about finding Amir Jennings alive, but the case was getting harder to solve as time goes by. Amir’s grandmother said she hasn’t seen him since Thanksgiving.

The boy’s mother has told police conflicting stories about her son, saying he was with friends and family in the Carolinas and also Georgia, authorities said.

“I’m really just focused on making sure that Amir is OK, or has some harm come to him?” Columbia Police Chief Randy Scott said. “That’s what we don’t know. That’s what we cannot find out.”

Amir’s grandmother contacted police in early December, saying she was worried about the boy and her daughter, a former Winthrop University student who struggled with depression and had begun acting erratically since her son’s birth.

Unemployment Drops, Service Sector Grows

WASHINGTON (AP) — The job market is looking a little brighter at the start of the new year.

Weekly unemployment benefit applications have fallen to levels last seen more than three years ago. Holiday sales were solid. Service companies grew a little faster in December. And many small businesses say they plan to add jobs over the next three months.

The mix of private and government data released Thursday sketched a picture of an economy that is slowly strengthening, stoking optimism one day ahead of the government’s important road on December job growth.

“Businesses have increased hiring to meet the underlying pick-up in (consumer) demand,” said Neil Dutta, an economist at Bank of America Merrill Lynch.

The encouraging reports on the U.S. economy gave Wall Street a late-day lift, offsetting renewed concerns over Europe’s debt crisis. The Dow Jones industrial average, which had fallen by as much as 134 points at one point in the day, closed down just 3 points. Broader indexes posted modest gains.

Dog Feared Caught In Avalanche Found Alive

BILLINGS, Mont. (AP) — A dog that was feared dead after he was swept away in a weekend avalanche that killed his owner showed up four days later at the Montana motel where his owners had stayed the night before going backcountry skiing.

Search and rescue team member Bill Whittle said he was “positive” that the Welsh corgi — named Ole — had been buried in Saturday’s avalanche.

“The avalanche guys were up there on Monday investigating and they were looking for the dog too and never seen any signs,” he said.

But on Wednesday, Ole showed up exhausted and hungry back at the motel, four miles from where the slide occurred, the *Billings Gazette* reported.

“When I first saw the dog, it was sitting in front of their room staring at the door,” Cooke City Alpine Motel owner Robert Weinstein said in an email to The Associated Press on Thursday.

Police Seek Motive For Attack On Painting

DENVER (AP) — Investigators are trying to determine why a woman caused \$10,000 worth of damage to a large expressionist painting at the Clyfford Still Museum by punching and scratching it, then removing her pants and sliding down the artwork.

Carmen Tisch, 36, faces charges of criminal mischief in the Dec. 29 attack on the painting, said district attorney spokeswoman Lynn Kimbrough.

The painting, referred to as 1957-J-No. 2, is valued at more than \$30 million. The large montage of black, white and burnt orange swaths with a sliver of yellow is from Still’s middle period.

Museum officials said they believe security is adequate for the facility and that they regularly evaluate security to protect the collection and visitors. Museum spokeswoman Regan Petersen said in a statement that its guards “acted swiftly and appropriately; the police were summoned immediately and the offender was taken into custody.”

Denver acquired the collection in stiff competition by promising to build a facility for the paintings and sculptures.

Still, who died in 1980, specified in his will that his estate had to go to an American city willing to establish a permanent museum for his work. He was one of the first abstract expressionist artists following World War II.

Police Warning Calif. Homeless Of Serial Killer

ANAHEIM, Calif. (AP) — Police and advocates are warning homeless people in Orange County to be careful if they sleep on the streets because a serial killer who is hunting the homeless has already killed three men.

Orange County Rescue Mission President Jim Palmer says his group is handing out flashlights and whistles to the homeless, in an effort to help them protect themselves.

Homeless people also are being encouraged to sleep in shelters or in groups.

The body of the first victim, 53-year-old James McGillivray, was found Dec. 21 near a Placentia shopping mall. The second victim, 42-year-old Lloyd Middaugh, was found on a riverbed trail in Anaheim a week later.

The third victim, 57-year-old Paulus Cornelius Smit, was discovered with fatal stab wounds outside a Yorba Linda library, where a photo of him stood at a small candlelit memorial this week.

GOP Rivals Go Hard After Romney

BY DAVID ESPO AND STEVE PEOPLES

Associated Press

MANCHESTER, N.H. — Mitt Romney’s Republican presidential rivals repeatedly attacked him as a candidate of the status quo and a timid, less-than-reliable conservative Thursday as they simultaneously sought to slow his campaign momentum and personally audition for the role of conservative rival-in-chief.

“Don’t settle for less than America needs,” said Rick Santorum, eager to capitalize on his second-place finish behind the former Massachusetts governor in this week’s Iowa caucuses, a scant eight votes off the pace.

A heavy favorite to win New Hampshire’s primary next Tuesday, Romney all but ignored his Republican rivals as he campaigned in two states. Instead, he criticized President Barack Obama as a “crony capitalist. He’s a job killer.”

Without saying so, the rest of the field appeared to share a common campaign objective — hold down Romney’s vote totals in New Hampshire, then knock him off stride 11 days later in South Carolina, the first Southern primary of the year.

Romney benefited handsomely from having several rivals split the vote in Iowa, where his winner’s share was roughly 25 percent.

“Gradually you are going to see we have a difference of opinion about which will be the last conservative standing,” former House Speaker Newt Gingrich told reporters as he campaigned in New Hampshire. “But I think you’ll eventually come down to one conservative and Gov. Romney and he’ll continue to get 25 percent.”

Also vying to emerge as Romney’s chief rival were Texas Rep. Ron Paul and former Utah Gov. Jon Huntsman, while Texas Gov. Rick Perry awaited South Carolina.

“We can’t afford to have a status quo president,” Huntsman said in Durham, N.H. “We



TIM DOMINICK/THE STATE/MCT

Republican presidential candidate Mitt Romney greets Bella of the Ball, a Pomeranian, who dressed for the rally at Charles Towne Landing in Charleston, South Carolina on Thursday, January 5, 2012.

can’t afford to have a coronation for president.”

Gingrich unveiled a new television commercial aimed at voters in New Hampshire and South Carolina that cited one review of Romney’s jobs program as timid and nearly identical in part to the president’s.

“Timid won’t create jobs. And timid certainly won’t defeat Barack Obama,” the ad said.

Ironically, in a year in which polls show the economy is overwhelmingly the top issue for voters, the first two contests are in states with low joblessness — 5.7 percent in Iowa and 5.4 percent in New Hampshire.

Obama Launches Reshaping Of U.S. Military

BY ROBERT BURNS

AP National Security Writer

WASHINGTON — Looking beyond the wars he inherited, President Barack Obama on Thursday launched a reshaping and shrinking of the military. He vowed to preserve U.S. pre-eminence even as the Army and Marine Corps shed troops and the administration considers reducing its arsenal of nuclear weapons.

The changes won’t come without risk, Defense Secretary Leon Panetta said. But he called it acceptable and, because of budget restraints, inevitable.

In a presentation at the Pentagon, Obama said the U.S. is “turning a page” after having killed Osama bin Laden, withdrawn troops from Iraq and begun to wind down the war in Afghanistan. He outlined a vision for the future that some Republican lawmakers quickly dubbed wrong-headed.

“Our military will be leaner, but the world must know the United States is going to maintain our military superiority,” Obama said with Panetta and the Joint Chiefs of Staff chairman, Gen. Martin Dempsey, at his side.

In a presidential election year the strategy gives Obama a rhetorical tool to defend his Pentagon budget-cutting choices. Republican



OLIVIER DOULIERY/ABACA PRESS/MCT

Secretary of Defense Leon Panetta speaks about defense budget cuts during a briefing at the Pentagon in Arlington, Virginia January 5, 2012.

contenders for the White House already have attacked him on national security issues including missile defense, Iran and planned reductions in ground forces.

Obama unveiled the results of an eight-month defense strategy review that is intended to guide decisions on cutting hundreds of billions from planned Pentagon spending over the coming decade. The eight-page document contained no details about how broad concepts for reshaping the military — such as focusing more on Asia and less on Europe — will translate into

troop or weapons cuts.

Those details will be included in the 2013 defense budget to be submitted to Congress next month.

In about every major war or defense speech Obama hits themes intended to resonate with American voters — mainly, that the United States is turning a page from two wars, and that any nation-building will focus on improving the United States, not strategic allies abroad.

The economy is more likely to determine Obama’s re-election fate than national security. To keep his promises to shrink the deficit and to

prove he is serious about fiscal management to voters wary of enormous government spending, Obama must show the oft-protected Pentagon is not exempt.

The political danger, though, is that his opponents will use any slashing of spending to paint the president as weak on security.

Both Panetta and Dempsey said they anticipate heavy criticism of their new strategy, which was begun last spring by then-Defense Secretary Robert Gates after Obama called for defense spending cuts. The Pentagon now faces at least \$487 billion in cuts in planned defense spending over 10 years.

The criticism from Republicans came quickly.

Rep. Howard “Buck” McKeon, R-Calif., chairman of the House Armed Services Committee, issued a statement saying, “This is a lead-from-behind strategy for a left-behind America.” He called it a “retreat from the world in the guise of a new strategy.”

Panetta said that smaller military budgets will mean some trade-offs and that the U.S. will take on “some level of additional but acceptable risk.” But in a changing world the Pentagon would have been forced to make a strategy shift anyway, he said. The money crisis merely forced the government’s hand.

Bombings Targeting Shiites In Iraq Kill 78

BY ADAM SCHRECK

Associated Press

BAGHDAD — An apparently coordinated wave of bombings targeting Shiite Muslims killed at least 78 people in Iraq on Thursday, the second large-scale assault by militants since U.S. forces pulled out last month.

The attacks, which bore the hallmarks of Sunni insurgents, come ahead of a Shiite holy day that draws hundreds of thousands of pilgrims from across Iraq, raising fears of a deepening of sectarian bloodshed. Rifts along the country’s Sunni-Shiite faultline just a few years ago pushed Iraq to the brink of civil war.

The bombings in Baghdad and outside the southern city of Nasiriyah appeared to be the deadliest in Iraq in more than a year.

Thursday’s blasts occurred at a particularly unstable time for Iraq’s fledgling democracy. A broad-based unity government designed to include the country’s main factions is mired in a political crisis pitting politicians from the Shiite majority now in power

against the Sunni minority, which reigned supreme under the dictatorship of Saddam Hussein.

Some Iraqis blame that political discord for the lethal strikes.

“We hold the government responsible for these attacks. They (the politicians) are bickering over their seats and these poor people are killed in these blasts,” said Baghdad resident Ali Qassim not long after the first bomb went off.

The attacks began during Baghdad’s morning rush hour when explosions struck the capital’s largest Shiite neighborhood of Sadr City and another district that contains a Shiite shrine, killing at least 30 people, according to police.

Several hours later, a suicide attack hit pilgrims heading to the Shiite holy city of Karbala, killing 48, police said. The explosions took place near Nasiriyah, about 200 miles (320 kilometers) south-east of Baghdad.

Hospital officials confirmed the casualties. Authorities spoke on condition of anonymity because they weren’t authorized to release figures of the dead and wounded,

who numbered more than 100.

The blasts occurred in the run-up to Arbaceen, a holy day that marks the end of 40 days of mourning following the anniversary of the death of Imam Hussein, a revered Shiite figure. During this time, Shiite pilgrims — many on foot — make their way across Iraq to Karbala, south of Baghdad.

Baghdad military spokesman Maj. Gen. Qassim al-Moussawi said the aim of the attacks is “to create turmoil among the Iraqi people.” He said it was too early to say who was behind the bombings.

Coordinated attacks aimed at Shiites are a tactic frequently used by Sunni insurgents.

The last U.S. combat troops left Iraq on Dec. 18, ending a nearly nine-year war. Many Iraqis worry

that a resurgence of Sunni and Shiite militancy could follow the Americans’ withdrawal. In 2006, a Sunni attack on a Shiite shrine triggered a wave of sectarian violence that pushed the country to the brink of civil war.

“People have real fears that the cycle of violence might be revived in this country,” said Tariq Annad, a 52-year-old government employee in Sadr City, after Thursday’s bombings.

Attacks on Wednesday targeted the homes of police officers and a member of a government-allied militia. Those strikes, in the cities of Baqouba and Abu Ghraib outside Baghdad, killed four people, including two children, officials said.

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Ronald & Sundra Hunhoff

Celebrating 50th

Ronald & Sundra (Gosser) Hunhoff of Yankton, SD will celebrate their 50th anniversary Jan. 6, 2012.

Ron & Sandy were married at Seigel Catholic Church. The couple have three sons: Doug (Diane) of Smithville, MO; Dean (Gladys) of Cheyenne, WY; and Dale & Linda of Worthing, SD.

Greetings may be sent to 1401 St. Benedict Dr., Yankton, SD 57078.