

IRS Believes Thieves Are From Russia

WASHINGTON (AP) — IRS investigators believe the identity thieves who stole the personal tax information of more than 100,000 taxpayers from an IRS website are part of a sophisticated criminal operation based in Russia, two officials told the Associated Press.

The information was stolen as part of an elaborate scheme to claim fraudulent tax refunds, IRS Commissioner John Koskinen told reporters. Koskinen declined to say where the crime originated.

But two officials briefed on the matter said Wednesday the IRS believes the criminals were in Russia, based on computer data about who accessed the information. The officials spoke on condition of anonymity because they were not authorized to publicly discuss the ongoing criminal investigation.

An IRS spokeswoman said Wednesday the agency couldn't comment on the investigation.

The revelation highlights the global reach of many cyber criminals. And it's not the first time the IRS has been targeted by identity thieves based overseas.

Airstrikes Alone Will Not Dislodge IS

BAGHDAD (AP) — It's the modern era's military strategy of choice: overwhelming air power delivering precision-guided punishment backed by intelligence on the ground, with minimal exposure for soldiers of the striking side.

Seductive though it is to risk-averse governments with war-weary publics, the approach has its limits — and these are on display in Syria and Iraq, where a U.S.-led coalition has carried out over 4,100 airstrikes against Islamic State radicals yet failed to stop the extremists.

August will mark a year since the campaign was launched after tens of thousands of minority Yazidis were forced to flee an onslaught by the militants in Iraq, causing a humanitarian crisis.

It was clear from the start that a ground force was needed, and Iraqi and Syrian Kurdish fighters have had successes on the battlefield. The Iraqi military was also to play a key role: air power would soften up the extremists, weakening them or getting them to flee, and the Iraqis were to deliver the final blow or retake areas abandoned by the militants.

That has not gone according to plan.

Pentagon Mistakenly Shipped Anthrax

WASHINGTON (AP) — The Centers for Disease Control and Prevention said Wednesday it is investigating what the Pentagon called an inadvertent shipment of live anthrax spores to government and commercial laboratories in as many as nine states, as well as one overseas, that expected to receive dead spores.

"At this time we do not suspect any risk to the general public," CDC spokeswoman Kathy Harben said.

A Pentagon spokesman, Col. Steve Warren, said the suspected live anthrax samples were shipped from Dugway Proving Ground, an Army facility in Utah, using a commercial delivery service.

Warren said the government has confirmed one recipient, a laboratory in Maryland, received live spores. It is suspected, but not yet confirmed, that anthrax sent to labs in as many as eight other states also contained live spores, he said. Later he said an anthrax sample from the same batch at Dugway also was sent to a U.S. military laboratory at Osan air base in South Korea; no personnel there have shown signs of exposure, he said, and the sample was destroyed.

"There is no known risk to the general public, and there are no suspected or confirmed cases of anthrax infection in potentially exposed lab workers," Warren said.

Obama Touts Pollution Protection

WASHINGTON (AP) — New federal rules designed to better protect small streams, tributaries and wetlands — and the drinking water of 117 million Americans — are being criticized by Republicans and farm groups as going too far.

The White House says the rules, issued Wednesday, will provide much-needed clarity for landowners about which waterways must be protected against pollution and development. But House Speaker John Boehner declared they will send "landowners, small businesses, farmers, and manufacturers on the road to a regulatory and economic hell."

The rules, issued by the Environmental Protection Agency and the U.S. Army Corps of Engineers, aim to clarify which smaller waterways fall under federal protection after two Supreme Court rulings left the reach of the Clean Water Act uncertain. EPA Administrator Gina McCarthy said the waters affected would be only those with a "direct and significant" connection to larger bodies of water downstream that are already protected.

The Supreme Court decisions in 2001 and 2006 left 60 percent of the nation's streams and millions of acres of wetlands without clear federal protection, according to EPA, causing confusion for landowners and government officials.

The new rules would kick in and force a permitting process only if a business or landowner took steps to pollute or destroy covered waters.

Political Downside On Party That Wins

WASHINGTON (AP) — The party that wins the impending Supreme Court decision on President Barack Obama's health care law could be the political loser.

If the Republican-backed challenge to the law's subsidies for lower-earning Americans prevails, the GOP would have achieved a paramount goal of severely damaging "Obamacare." But Republican lawmakers would be pressured to help the millions of Americans who could suddenly find government-mandated medical coverage unaffordable — and they'd face blame from many voters if they failed to provide assistance.

"If you win the case you actually have people who lost their insurance. You now share the responsibility for fixing it," said former Rep. Tom Davis, R-Va., who once led the House GOP campaign committee. "And you've got a lot of pissed off people. That hurts you."

Should the Obama administration win, relieved Democrats would crow that Obama's foremost domestic achievement had stood unscathed. But some say they'd have lost a potentially powerful cudgel for the 2016 campaigns: Being able to accuse Republicans of ending the assistance and disrupting health coverage for many.

If Democrats lose in court, "It completely reverses the issue and puts us back on offense on health care," said Rep. Steve Israel, D-N.Y., one of his party's chief message crafters.

Man Dies After Shot By Stun Gun

KANSAS CITY, Kan. (AP) — Police in Kansas City, Kansas, say a man shocked by an officer's stun gun has died at a hospital.

Police said officers were summoned Wednesday afternoon to a report of a man behaving strangely at the parking lot of a Family Dollar store. They say the man turned combative when paramedics tried to treat him. That's when police say an officer used a stun gun on the man while trying to subdue him.

The cause of the man's death was not immediately clear, and the matter is being investigated.

The name of the man involved in the confrontation wasn't immediately released.

FIFA Corruption Investigation

US Official: 'This Is The Beginning'

BY TINA SUSMAN AND KEVIN BAXTER
Los Angeles Times

NEW YORK — Prosecutors on Wednesday charged 14 people, including high-ranking officials of the soccer governing body FIFA, in a more than \$150 million racketeering and fraud scheme that they said had corrupted the world's most popular sport while lining defendants' pockets with millions of dollars.

The charges, which coincided with raids in Zurich and Miami, followed a three-year FBI investigation into alleged crimes that U.S. Attorney General Loretta Lynch and other law enforcement officials said dated back more than 20 years. FIFA's president, Sepp Blatter, was not named in the indictments, but the charges could cripple his bid Friday to win a fifth term at the organization's helm.

In addition, law enforcement officials made clear that more people could face charges in what Lynch called a "rampant, systemic and deep-rooted" cycle of corruption.

"I want to be very clear: This is the beginning," acting U.S. Attorney Kelly T. Currie said during a news conference in Brooklyn, where the indictment was handed up early Wednesday. Charges include racketeering, wire fraud and money laundering. They portray an organization riddled with greedy officials who demanded payment in exchange for ensuring highly sought contracts were awarded to sports marketing companies seeking media and marketing rights to FIFA-run tournaments.

FIFA officials named in the 47-count indictment include Vice President Jeffrey Webb; Julio Rocha, the organization's development officer; Eduardo Li, an executive committee member-elect; Eugenia Figueredo, a vice president and executive committee member; and Jose Maria Marin, a member of the organizing committee for the Olympic soccer tournaments. They were arrested by Swiss authorities in Zurich and expected to face extradition to the United States.

Other defendants include two sports marketing companies, sports marketing executives, and soccer officials from FIFA-controlled entities in the Caribbean, South America and Central America.

At the news conference, justice officials handed out a 3-inch-thick binder containing hundreds of pages of documents outlining the allegations.

The documents describe how FIFA officials allegedly received envelopes packed with tens of thousands of dollars in cash and demanded bribes in exchange for issuing contracts and other favors. Some of the defendants ar-

FIFA arrests

Two criminal investigations of FIFA corruption totaling more than \$100 million linked to commercial deals dating back to the 1990s for soccer tournaments in the United States and Latin America are under way, as seven high-ranking officials are arrested in Zurich.



ARRESTED

Those arrested out of the 14 who were indicted by the U.S. Department of Justice

- Jeffrey Webb:** From Cayman Islands. Head of the confederation for North and Central America and the Caribbean, CONCACAF, and FIFA vice-president
- Eugenio Figueredo:** From Uruguay. President of South American football governing body CONMEBOL
- Eduardo Li:** From Costa Rica. Costa Rica's national football chief, who was due to join FIFA's executive committee on
- Julio Rocha:** From Nicaragua. FIFA development officer
- Costas Takkas:** From Britain. Attache to the CONCACAF
- Rafael Esquivel:** From Venezuela. Venezuelan Football Federation president
- Jose Maria Marin:** From Brazil. A member of FIFA's club committee

Source: AP, BBC
Graphic: Staff, Tribune News Service

ranged multimillion-dollar wire transfers from accounts of the accused sports executives' corporations to soccer groups in exchange for programming contracts, according to the documents.

The documents portray former FIFA Vice President Jack Warner, one of the accused, as a key figure in the case. It said Warner set up and controlled numerous bank accounts in Trinidad and Tobago and elsewhere, and mingled his personal funds with those of FIFA-controlled bodies.

"Among other things, Warner began to solicit and accept bribes in connection with his official duties, including the election of the host nation for the World Cups held in 1998 and 2010, which he participated in as a member of the FIFA executive committee," the indictment said.

France hosted the event in 1998 and South Africa in 2010.

In a statement reported by the Daily Mail in London, Warner said he was not guilty and suggested that the probes were politically and economically motivated.

"I cannot help but note, however, that these cross-border coordinated actions come at a time when FIFA is assembled for elections to select a president who is universally disliked by the international community," he said in the statement. "At times such as this it is my experience that the

large world powers typically take actions to affect world football. World football is an enormous international business."

Officials said one sports marketing company had won the rights to the lucrative Copa America tournament starting in 1993 and continuing through 2023 by paying bribes to soccer officials.

"As the value of the marketing rights increased, we also saw the bribes increase," Currie said in explaining how the accused marketing companies held onto their allegedly crooked deals through the years.

Revenue generated from such contracts accounted for 70 percent of FIFA's \$5.7 billion in revenue between 2011 and 2014, justice officials said.

The charges followed a predawn raid by Swiss police in Zurich, acting on behalf of U.S. law enforcement, at the resort where FIFA is holding its annual meeting. Seven people were arrested in the raid; the whereabouts of the other defendants were not immediately clear.

All those charged are from the two groups overseeing soccer in the Americas — CONCACAF, which manages the sports in North America, Central America and the Caribbean, and CONMEBOL, which administers the 10 South American soccer federations. FIFA is the umbrella body.

Four of the individuals charged and two corpo-

rate defendants previously pleaded guilty.

Daryll Warner, son of Jack Warner and a former FIFA development officer, pleaded guilty in July 2013 to a two-count information charging him with wire fraud and the structuring of financial transactions. On Oct. 25, 2013, Darylan Warner, another son of Jack Warner, pleaded guilty to a three-count information charging him with wire fraud conspiracy, money laundering conspiracy and the structuring of financial transactions.

In November 2013, Charles Blazer, the former CONCACAF general secretary and a former FIFA executive committee member, pleaded guilty to a 10-count information charging him with racketeering conspiracy, wire fraud conspiracy, money laundering conspiracy, income tax evasion and failure to file a Report of Foreign Bank and Financial Accounts, or FBAR. Last December, Jose Hawilla, the owner and founder of the Traffic Group, a Brazilian sports marketing conglomerate, pleaded guilty to a four-count information charging him with racketeering conspiracy, wire fraud conspiracy, money laundering conspiracy and obstruction of justice.

On May 14, 2015, the defendants Traffic Sports USA Inc. and Traffic Sports International Inc. pleaded guilty to wire fraud conspiracy.

Jack Warner, from Trinidad and Tobago, has not been arrested or entered a plea. "If the U.S. Justice Department wants me, they know where to find me," The Associated Press quoted him as saying Wednesday.

Swiss authorities also seized electronic data and documents at FIFA's headquarters in Zurich and said they had opened up their own probe into votes that awarded the 2018 World Cup to Russia and the 2022 tournament to Qatar.

Numerous investigations have suggested both votes were ripe with bribery and corruption, but Lynch would not say if she thought either of those awards should be voided.

"I think FIFA has a lot of soul-searching to do," said Lynch.

FIFA spokesman Walter de Gregorio said there would be no re-vote regarding the sites for the 2018 and 2022 World Cups.

The indictment says conspirators used "sophisticated money laundering techniques," including currency dealers, a Swiss bank account, and trusted intermediaries "to move money around the globe."

Jose Maria Marin, president of the Brazilian football confederation, is among several high-ranking FIFA officials expected to be charged with federal corruption charges in the United States.

FBI: Surveillance Tools In Jeopardy Amid Patriot Act Debate

BY ERIC TUCKER
Associated Press

WASHINGTON — As Congress wrestles over renewing the bulk collection of Americans' phone records, federal law enforcement officials are warning that legal authority is also at risk for lesser-known surveillance tools that are even more valuable in fighting terrorism.

The Patriot Act authorities give the FBI flexibility to intercept the calls of terror suspects who continuously switch phones during the course of an investigation and to conduct surveillance on "lone wolf" individuals who pose threats but aren't affiliated with an international terrorism organization.

U.S. officials have defended the need for those powers over the last decade, but have amplified those efforts in recent weeks as the expiration dates for their authority nears without any signals of a congressional compromise that would keep them from lapsing along with other parts of the act on June 1.

The Senate returns to session Sunday, facing a deadline to reach a last-minute agreement to renew a once-secret National Security Agency program that collects Americans' phone records in bulk. Provisions of the Patriot Act dealing with lone-wolf targets and roving wiretaps would also expire at midnight with the phone records program.

FBI Director James Comey has called bulk phone collection a useful tool to the FBI's counterterrorism efforts. But recently he has expressed more concern about being able to maintain the lone wolf and roving wiretap capabilities, as well as a separate Patriot Act provision that allows the FBI to obtain secret court orders to collect documents such as hotel and travel records during terrorism investigations, and which also would be affected by the deadline.

"I sure hope Congress figures out a way to make sure I don't lose these essential tools," he said during a visit Tuesday to the New Haven, Connecticut, field office of the FBI.

Attorney General Loretta Lynch warned Wednesday against permitting the expiration of "vital and uncontroversial tools we use to combat terrorism and crime."

But civil liberties lawyers say the FBI already has the tools it needs and haven't presented enough information to justify the use of these additional authorities. The American Civil Liberties Union accuses intelligence officials and some in Congress of "scaremongering" about the Patriot Act and says the debated authorities give the government too much discretion in national security investigations.

"Existing laws provide ample authority for the gov-

ernment to obtain information about individuals who are planning attacks of terrorism," ACLU lawyers wrote in a memo urging Congress to let the provisions expire.

The FBI has had roving wiretap authority since the 1980s for criminal investigations such as drug cases, and the Patriot Act of 2001 extended its use for counterterrorism and counterintelligence investigations. That authority lets federal agents, instead of seeking permission to tap each separate phone an individual may use, eavesdrop continuously on targets regardless of the device they're using. Law enforcement officials see it as an effective way to thwart suspects who try to avoid detection by constantly changing phones, including going through a series of "burner" cellphones.

"I think terrorists increasingly engage in the kind of sophisticated tradecraft that spies and foreign intelligence agencies do, and the same authority is required to investigate them," said Todd Hinnen, a former acting assistant attorney general of the Justice Department's National Security Division.

The "lone wolf" provision, meanwhile, enables FBI surveillance of a non-U.S. person who is suspected of plotting terrorism but aren't agents with any foreign powers or connected to terror groups.

IS Suicide Bombs Kill 17 Troops

BAGHDAD (AP) — As Iraqi forces gathered for a major new offensive to try to take back the sprawling Sunni heartland of Anbar province, Islamic State militants struck first, unleashing a wave of suicide bombings that killed at least 17 soldiers.

The attacks outside the extremist-held city of Fallujah came just hours after the Iraqi government announced the start of a wide-scale operation to recapture areas under Islamic State control in the vast desert province that stretches to the border with Jordan.

The militants used a sandstorm that engulfed most of Iraq to launch the deadly wave of bombings late Tuesday night, Brig. Gen Saad Maan Ibrahim, the spokesman for the Joint Military Command, told The Associated Press.

He said it was not clear how many suicide attackers were involved in the bombings but they struck from multiple directions at the Iraqi troops, who were gathered near a water control station and a lock system on a canal between the Euphrates River and Lake Tharthar as they prepared to deploy.