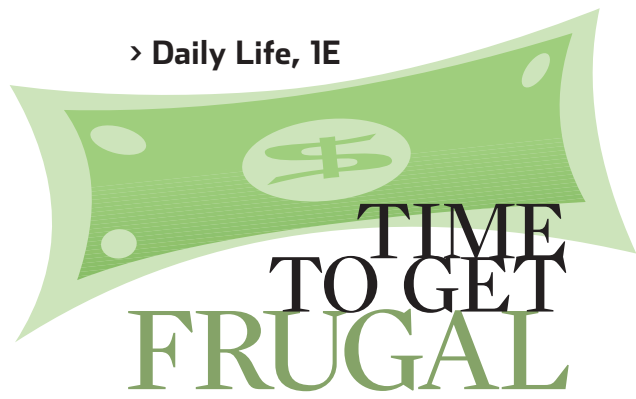


> Daily Life, 1E



Two bucks tangle in Blaine ... and neither is the winner, 1B

St. Paul PIONEER PRESS

1 high, -17 low > See Page 8D

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WEDNESDAY 1-14-2009

U.S. Senate race

Franken asks court to clear way into Senate

Democrat wants justices to force Pawlenty, Ritchie to sign election certificate

By Rachel E. Stassen-Berger
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Democrat Al Franken took Minnesota's U.S. Senate race to court Tuesday. In a filing of his own, Franken asked the state Supreme Court to force Gov. Tim Pawlenty and Secretary of State Mark Ritchie to sign his election certificate, allowing him entrée to the Senate. In a separate suit, which the Franken campaign is financing, 64 Minnesota voters sued Ritchie and local elections officials to have their votes counted in the race.

Both moves are further twists in the already tangled election that is more than 10 weeks late in delivering results.

Last week, Franken ended the two-month recount with a 225-vote lead over Republican Norm Coleman. Coleman immediately filed an election lawsuit, saying that if all votes were properly counted, he would win re-election.

The lawsuit has stopped Franken from receiving an election certificate signed by Pawlenty and Ritchie.

On Monday, Franken's attorneys asked the two to sign the certificate. But Pawlenty, a Republican, and Ritchie, a Democrat, said Franken won't get their signatures until Coleman's case plays out.

"Even if the governor issues a certificate of election prior to the conclusion of the contest phase, I will not sign it," Ritchie said.

But in his suit, Franken said they were wrong to deny him the document "to which he is now entitled."

SENATE RACE, 6A >

We save tax-free for college — why not for long-term care?

State lawmakers offer a way to cope with the health costs of the aged

By Jeremy Olson
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Minnesota lawmakers want to create a savings plan that allows families to set aside money for long-term care needs just as they would use 529 education accounts for their children's college tuition.

The goal is to entice families with tax-free savings to take more responsibility for long-term care and reduce the crushing cost burden on the state.

Many seniors exhaust their savings to pay for nursing homes and other services, and then obtain state Medical Assistance benefits to continue their care. Minnesota spends \$1.5 billion each year on long-term care, according to recent estimates, and is projected to spend \$3 billion by 2020 once baby boomers reach retirement age and have care needs of their own.

While it is cruel to "force people to spend into poverty" to get access to care services, the state must encourage them to save more on their own, said Rep. Paul Thissen, DFL-Minneapolis.

"Our savings rate in this state and this country is way too low," Thissen said. "We need to flip the switch on that one."

Thissen and Rep. Laura Brod, R-New

SAVINGS PLAN, 6A >

Gophers' Lucia fights mystery illness

Going public with his private struggle, hockey coach says 'the nasty stuff' has been ruled out

By Bruce Brothers
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"I don't have cancer."

So said University of Minnesota men's hockey coach Don Lucia, speaking extensively Tuesday for the first time about the undetermined illness that has forced him to miss four games in the past two

weeks and has spawned numerous rumors.

Lucia, who has "one more round of tests" from doctors scheduled today, added, "The good thing is, right now it sounds like the nasty stuff has been eliminated, and they're trying to pinpoint what type of treatment plan."

Since falling ill Dec. 27, Lucia has been forced to deal with a private

and uncertain medical situation while being a daily topic of discussion in the media because of his public persona.

"Had this happened in June, nobody would ever know," he said. "The symptoms manifested themselves in the middle of our season. If



LUCIA FIGHTS ILLNESS, 6A >

Don Lucia fell ill Dec. 27.

A PLEDGE OF DIPLOMACY

Clinton: 'I believe American leadership has been wanting but is still wanted'



Changing direction

Secretary of State-designate Hillary Rodham Clinton vowed Tuesday at her Senate confirmation hearing to revitalize the mission of diplomacy in U.S. foreign policy. Calling for a "smart power" strategy in the Middle East, she told the Foreign Relations Committee: "America cannot solve the most pressing problems on our own, and the world cannot solve them without America."



Point of contention

Sen. Richard Lugar, R-Ind., and Sen. David Vitter, R-La., pressed Clinton to take additional steps to ensure that former President Bill Clinton's global fundraising work does not pose even an appearance of conflict with her role as the chief U.S. diplomat. She balked, saying disclosure rules already in place were carefully crafted and adequate to avoid any conflict.



What's next

Clinton appeared headed for easy confirmation, encountering no major challenges to her basic vision for foreign policy. The Foreign Relations Committee planned to vote on her nomination Thursday. If approved, she could gain full Senate confirmation as early as Tuesday. Clinton will relinquish her Senate seat when confirmed.

— Associated Press

Sen. Hillary Rodham Clinton, D- N.Y., testifies for five hours before the Senate Foreign Relations Committee.

ASSOCIATED PRESS PHOTOS

Treasury pick hits a snag over unpaid taxes



Timothy Geithner

Questions over immigrant housekeeper an added embarrassment for Geithner

By Jackie Calmes
New York Times

WASHINGTON — President-elect Barack Obama's choice for Treasury secretary failed to pay more than \$34,000 in federal taxes over several years this decade and faces questions about the immigration status of a former household employee, suddenly complicating what had seemed to be an easy confirmation process in the Senate.

Timothy Geithner, president of the Federal Reserve Bank of New York, huddled privately Tuesday with members of the Senate Finance Committee to explain that he had paid the back taxes and interest. Senate Democratic

leaders quickly released statements of support lest the controversy threaten the nomination.

Two senior Senate Republicans, Orrin Hatch of Utah and Judd Gregg of New Hampshire, likewise gave endorsements, echoing the argument of Obama

TREASURY PICK HITS SNAG, 6A >

Check it out @twincities.com

A passionate defense of Bert Blyleven: blogs.twincities.com/bigpapi

Who's that guy outside in the cold without a jacket? [A video](#)

How to reduce your use of plastics at home: MinnMoms.com



CONTINUED FROM 1A

> Savings plan

Prague, discussed the savings plan Tuesday during an aging policy forum at the Wilder Center in St. Paul. They plan to unveil the plan today at the Capitol and introduce legislation in the coming weeks.

Nebraska was the first state in 2006 to offer this type of plan. Minnesota would likely be the second.

"People realize the cost of long-term care and how crippling it can be," said Nebraska Treasurer Shane Osborn. "It can wipe out a lifetime of savings in a matter of a year."

Nebraska allows plan

enrollees to spend earnings tax-free on nursing homes, assisted living, home care services, long-term care insurance policies and many other needs.

"You could use it to widen the door in your bathroom if you need wheelchair access," Osborn said.

The plan also offers \$2,000 household tax deductions, although lawmakers this year might raise that amount to \$5,000 in order to increase interest.

Osborn said enrollment had been slow in the first year, partly because of a delay in banks offering the plan on behalf of the state. The plan offers only state tax advantages for now, no federal tax breaks.

Osborn said he hopes more

states adopt similar plans, increasing interest in Nebraska and perhaps encouraging federal lawmakers to support tax incentives as well. He presented the idea to Minnesota leaders in August and has talked with officials in California, New York, Indiana and other states.

Advocates for the aged expect little progress in long-term care reform this session as Minnesota lawmakers confront a billion-dollar budget deficit. However, they said the savings plan has a chance to pass, given its bipartisan support.

Housing provider Ecumen has found through surveys that few people have long-term care insurance or even under-

stand how aging care services are financed.

"We know two things," said Ecumen's Eric Schubert, "people don't want to live in nursing homes, and a lot of people haven't accumulated the savings for how they would most like to live."

Brod said the savings plan is one incentive for people "to do what they ought to be doing anyway" and a first step in addressing the aging crisis that will hit Minnesota in little more than a decade.

"While 2009 and 2010 are interesting and important," Brod said, "2020 and 2030 are vital."

Jeremy Olson can be reached at 651-228-5583.



PIONEER PRESS FILE PHOTO: SHERRI LAROSE-CHIGLO

Minnesota men's hockey coach Don Lucia says he "has never been overly worried" about the symptoms that began Dec. 27 and forced him to miss four games. But he has not yet received a definitive diagnosis.

CONTINUED FROM 1A

> Treasury pick hits snag

transition officials that Geithner's failures were innocent mistakes or technicalities.

The Finance Committee chairman, Sen. Max Baucus of Montana, a Democrat, tentatively scheduled a hearing on Geithner's nomination for Friday, though it would be delayed until next week if any members of the panel objected. Any delay would raise the prospect Geithner might not be confirmed in time to take office Tuesday, when Obama will be sworn in.

At the least, the flap is a major embarrassment for the man chosen to head the Treasury Department, which oversees the Internal Revenue Service, particularly as Geithner worked at the Treasury under three presidents.

And it is the latest of several stumbles by the previously smooth-running Obama transition office — the most serious being the withdrawal of Gov. Bill Richardson of New Mexico as the commerce secretary nominee because of questions over state contracts and political contributions.

In Geithner's case, he has paid a total of \$43,200 in back taxes and interest for underpayments from 2001 to 2004, according to the Obama transition office. The Finance Committee disclosed he paid a slightly higher total of \$48,268, which includes payments on unrelated tax liabilities the committee uncovered.

The issue involving a former housekeeper of the Geithner family is separate. The woman was in the country legally and authorized to work when Geithner and his wife hired her in 2004. But her employment authorization expired three months before she quit working for them.

The Senate Finance Committee — not the Obama team — discovered the issue, and it came as news to Geithner, according to a Democrat who was briefed on the situation.

The more serious questions surround the previously unpaid taxes. The bulk of them were detected in 2006 after an IRS audit for 2003 and 2004, and Geithner paid back taxes and interest then for those years.

SMOOTH SAILING FOR OBAMA NOMINEES

All President-elect Barack Obama's nominees who appeared at hearings Tuesday are expected to be confirmed easily. They included:



> Energy secretary: Steven Chu told a Senate committee the incoming administration would have an increased commitment to alternative energy sources such as solar, wind and geothermal. But he made it clear nuclear power and coal would be part of the energy mix.



> Education secretary: Arne Duncan said he wants to improve the No Child Left Behind law and lure more people into teaching. Duncan would like longer school days, Saturday school and summer school.



> Budget director: Peter Orszag, the Office of Management and Budget nominee, said the nation faces "the worst economic crisis since the Great Depression." Without a tough stimulus package, he said, an additional 3 million to 4 million jobs could be lost this year.



> Housing secretary: Shaun Donovan pledged a more aggressive response to the foreclosure crisis as he prepares to take the helm of an agency under fire for being slow to react to the end of the U.S. housing bubble.

NEW NOMINEES

> FCC chairman: Obama plans to nominate Julius Genachowski, a friend from their days at Harvard Law School and a top fundraiser for the presidential campaign. Genachowski would bring a corporate technology background and inside-the-Beltway experience to the Federal Communications Commission.

> HHS deputy secretary: Obama announced his choice as William Corr, executive director of the Campaign for Tobacco-Free Kids. He would work with former Sen. Tom Daschle, Obama's choice for Health and Human Services secretary, in overhauling the nation's health care system.

— Associated Press, McClatchy Newspapers

In November, the Obama vetting team found other unpaid taxes for 2001 and 2002, and Geithner immediately paid those plus interest when the matter was brought to his attention, transition officials said.

The underpayments all involve Geithner's income from his stint from 2001 to 2003 as a senior official at the International Monetary Fund, including a small IMF payment in 2004. Geithner worked there after leaving the Treasury, where he had risen to under secretary for international affairs in the Clinton administration, and before becoming president of the New York Fed, a post that has put him at the center of the economic crisis.

The IMF, as an international organization, does not withhold payroll taxes for Social Security and Medicare from its American employees' paychecks. Those workers are required to pay the

roughly 15 percent tax themselves, as if they were self-employed.

However, the IMF does pay its American workers an amount equal to an employer's half of the payroll taxes, and it also gives them periodic payroll statements that include U.S. tax liabilities.

Geithner fully paid his state and federal income taxes. But by failing to pay his payroll taxes, in effect he pocketed the half of his liability that the IMF paid him while also incurring the unpaid tax liability. However, in an e-mail exchange in early 2004 between Geithner and his accountant, a copy of which was provided to the New York Times, Geithner was advised he was exempt from self-employment taxes.

The IRS waived penalties for Geithner in 2006, according to an account provided by the transition office and the Senate committee. A three-year statute of limitations had precluded the agency from audit-

ing the 2001 and 2002 tax returns.

Geithner volunteered to amend those returns and pay the taxes and interest, a total of \$25,970, after Obama indicated he wanted to nominate him for the Treasury job, according to the account. Obama announced the nomination in Chicago on Nov. 24, three days after the issue had come to Geithner's attention.

Late Tuesday, Republican and Democratic sources still were predicting Geithner would be confirmed. The Senate majority leader, Harry Reid, D-Nev., repeated his support for Geithner's confirmation, as did other Democrats. The Finance Committee's senior Republican, Sen. Charles Grassley of Iowa, declined to take a position, but Hatch and Gregg rallied to Geithner.

"I still support him. I have no problem," Hatch told Fox News. "He's a very, very competent guy."

Burriss to be sworn in to Senate on Thursday

By Julie Hirshfeld Davis
Associated Press

WASHINGTON — Senate appointee Roland Burriss will be sworn into office Thursday, his office said, closing a painful and protracted certification process ensnared in the federal corruption investigation of Illinois Gov. Rod Blagojevich.

Senate Democrats have reversed course, grudgingly accepting the former Illinois attorney general into their exclusive club as the person who will replace the Senate seat vacated by President-elect Barack Obama.

"I really never doubted that I would be seated," Burriss said in a nationally broadcast television interview Tuesday. "It was just a matter of going through the process and making sure that the Senate rules were abided by," he said.

Asked about any role Obama might have played in

softening the opposition to his seating by Senate Democratic leaders Harry Reid and Dick Durbin, Burriss said, "I have no knowledge of what the president-elect did."

Reid, D-Nev., and Durbin, D-Ill., announced the acceptance in a joint statement Monday. They said Burriss "is now the senator-designate from Illinois and, as such, will be accorded all the rights and privileges of a senator-elect."

In a statement issued late Tuesday, Burriss' office said Vice President Dick Cheney would administer the oath to Burriss on the Senate floor Thursday afternoon.

Burriss called himself honored and humbled to be the state's newest senator. "I'm thankful for the opportunity to serve," he said at a news conference Monday in Chicago. "I recognize that my appointment triggered a challenging time for many."

CONTINUED FROM 1A

> Senate race

The Senate, Franken's argument goes, is the judge of its membership, so Minnesota cannot bar him from getting the certificate. He also argues that the U.S. Constitution requires two senators from each state, and even Minnesota election law gives credence to the idea a candidate can be issued a preliminary election certificate.

Senate Democratic leaders have not said they would seat Franken before Coleman's suit is complete, and Republican leaders say they would not allow him to be seated before there is a ruling. But Franken attorney Marc Elias said if Franken has a certificate, it would be difficult to stop him from joining the Senate.

"All we are seeking is something that all Minnesotans ought to insist on, which is that they have full representation in the United States Senate during this time of great legislative activity in Washington, D.C.," Elias said.

Such insistence, Coleman lawyers said, is arrogant and warped.

In a fundraising pitch, Coleman's campaign manager gave the request a more colorful description.

"When both Governor Pawlenty and the Democrat Secretary of State immediately turned down his request, Franken filed a petition with the Minnesota Supreme Court. If you ask me, that's a bit like a bank robber stopping on his way out the door to ask the teller for a receipt," said campaign manager Cullen Sheehan.

The Franken campaign said it's nothing like that — Ritchie and Pawlenty simply made an error the Supreme Court should right.

The voters' suit said Ritchie and local election officials erred when refusing to include the absentee ballots of 64 Minnesota voters in the recount.

In the recount's final weeks, after a state Supreme Court ruling, state officials included 933 rejected absentee ballots in the final Senate tally. Those were ballots election officials rejected on Election Day but

"All we are seeking is something that all Minnesotans ought to insist on."

Marc Elias, Franken campaign attorney

later discovered they should have included.

In deciding a Coleman lawsuit last year, the Supreme Court said the mistakenly rejected ballots should be included only if local election officials, the Coleman campaign and the Franken campaign agree on each ballot. That gave all three parties veto power over the ballots and meant some ballots each campaign thought should have been counted were not included.

A key facet of Coleman's lawsuit is the exclusion of about 650 potentially improperly rejected absentee ballots.

The Franken campaign Monday also included a list of 86 mistakenly rejected absentee ballots and a list of 673 absentee ballots that may have been

rejected by mistake in its response to Coleman's suit.

The lawsuit filed Tuesday is separate but related.

The new suit was filed by and includes affidavits from voters, many of which were gathered by the Franken campaign during the recount, explaining their stories.

One from Ursula Cowen, a Franken voter from Roseville, says a chunk of her absentee ballot envelope was covered by a sticker that read, "to be completed by voter," making it impossible for her to properly complete the form.

St. Paul voter Josephine Garcia disclosed in her affidavit she has both arthritis and glaucoma, which can "make it difficult for me to physically sign my name at times." So she directed her son to sign her ballot for her, which she considers her genuine signature.

The Franken campaign is paying attorney fees for the voters and collected much of the information, but the voters, not the campaign, are bringing the suit.

"I represent these individuals. They are my clients," said attorney Charles Nauen.