

**Weather**

**Today:** Partly sunny, breezy. High 53. Low 30.  
**Saturday:** Partly sunny. High 45. Low 29.

Details, **B10**

130TH YEAR No. 122 5 DC MD

# The Washington Post

FRIDAY, APRIL 6, 2007

M1 M2 M3 M4 M5 V2 V3 V4

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## Fairfax Man Whose Son Killed Police Is Arrested

*Father Possessed Guns Illegally, Charges Say*

By JERRY MARKON and TOM JACKMAN  
Washington Post Staff Writers

The father of the teenager who killed two Fairfax County police officers outside a police station last year was charged yesterday with illegally helping his son obtain the arsenal of guns used in the rampage, including an AK-47 assault rifle.

Brian Kennedy, 50, who lives in Centreville near the Sully District police station, is accused of lying on federal forms to obtain the AK-47 and illegally possessing the six other guns that his mentally troubled son, Michael, took to the station in May. Michael Kennedy, 18, fired more than 70 rounds that day before police mortally wounded him.

A 21-page indictment, unsealed late yesterday in U.S. District Court in Alexandria, portrays a family caught up in a world of guns and drugs. It alleges that Brian Kennedy smoked marijuana with his son and his son's teenage friends and that Michael Kennedy's mother, Margaret, took the teens to a shooting range to practice firing assault rifles.

Authorities found guns and marijuana throughout the family's home, and the indictment quotes Brian Kennedy as telling a friend that the 7.8 grams of marijuana police found in a wooden box in the living room was "chump change."

Kennedy was arrested late yesterday at

See ARREST, A9, Col. 1

## Battle to Win Top Colleges' Nod Escalating

*Future Applicants Face Array of Competitors*

By JAY MATHEWS  
Washington Post Staff Writer

Beka Badila, a senior at the Oakcrest School in McLean, did everything she was supposed to do to get into a good college. She worked hard to get a 3.56 grade-point average and raised her SAT score from 1500 to 1800. She played on the tennis team all four years, wrote good college-application essays and devoted herself to her first love — drama productions.

The results are in: rejected by the University of Virginia, William and Mary, Carnegie Mellon, Occidental and Pepperdine, waitlisted at Fordham. The 18-year-old's only acceptances were two small Virginia schools — Bridgewater and Longwood.

"How does she hold her head up high?" asked mother Marti Badila. Her daughter's analysis was more direct: "It is all kind of a crapshoot."

Such stories of youthful hopes thwarted have become a staple of springtime. Parents of younger children tell each other it will get better when the current bulge of baby-boomer children gets out of high school at the end of this decade, but they are wrong. The latest data show that if anything, the frantic competition to get into the most selective colleges is only going to get worse.

The U.S. Education Department's National Center for Education Statistics

See ADMISSIONS, A10, Col. 1

### HARVESTING CASH | *The Many Definitions of 'Rural'*



PROVINCETOWN CHAMBER OF COMMERCE

In 2003, the Agriculture Department gave a \$1.95 million loan to help rebuild a Cape Cod pier. Provincetown, Mass., a vacation spot with soaring property values and moderate taxes, says that "the business of the harbor is now largely related to tourism."

## Rural Aid Goes to Urban Areas

*USDA Development Program Helps Suburbs, Resort Cities*

By GILBERT M. GAUL and SARAH COHEN  
Washington Post Staff Writers

PROVINCETOWN, Mass. — In a few weeks, artists, lawyers and bankers will begin arriving here for the busy summer season on high-speed ferries that take 90 minutes to make the trip from Boston. They will land at a recently refurbished municipal dock that was built with the help of a \$1.95 million low-interest loan from the U.S. Department of Agriculture.

A few blocks away, the Provincetown Art Association and Museum has used nearly \$3 million in grants and loans from the Agriculture Department to add gallery space and renovate a historic sea captain's house. A short drive back down the Cape, the department is financing a new actors theater in Wellfleet and recently awarded a grant to a garden center in Hyannis to build a windmill.

Although Cape Cod is only a short trip from Boston and Providence, R.I., and is home to some of the wealthiest beach towns in the United States, to the Agriculture Department it meets the definition of rural America. That means it qualifies for aid originally intended for farmland and

backwoods areas that were isolated and poor, struggling to keep their heads above water.

"Provincetown is many things to many people, and to USDA we're rural," said Keith A. Bergman, the town manager. "We'll take it."

He isn't alone. On Martha's Vineyard, the USDA guaranteed a \$4.5 million loan for the popular Black Dog Tavern. The loan, which has since been repaid, was to refinance the tavern's mortgage and expand Black Dog's retail clothing stores. On Nantucket, where the population swells to the size of a small city in summer months, the Agriculture Department provides rental subsidies for families priced out of the local market.

All told, the USDA has handed out more than \$70 billion in grants, loans and loan guarantees since 2001 as part of its sprawling but little-known Rural Development program. More than half of that money has gone to metropolitan regions or communities within easy commuting distance of a midsize city, including beach resorts and suburban developments, a Washington Post investigation found.

See AID, A8, Col. 1



BY THOMAS F. COSTELLO FOR THE WASHINGTON POST

A USDA program originally meant for isolated, rural areas helped update the boardwalk in Wildwood, N.J.



BY J. SCOTT APPLEWHITE — ASSOCIATED PRESS

Colleagues say Chief of Staff Joshua B. Bolten has found change difficult to achieve at the White House.

## For Bush's Staff Chief, A Thorny First Year

By MICHAEL ABRAMOWITZ  
Washington Post Staff Writer

In just under a year as White House chief of staff, Joshua B. Bolten has engineered a thorough overhaul of top administration personnel, pushed to end "happy talk" about conditions in Iraq, and tried to reposition the president on issues such as the environment, the budget, detainee treatment and health care.

Yet as Bolten approaches his first anniversary on the job, he and the president he serves find themselves as politically besieged as ever. President Bush's approval ratings — 36 percent, according to the most recent Washington

Post-ABC News poll — are lower than when Bolten took over last April. And the president is embroiled in new controversies involving his attorney general and the handling of military health care, while trying to fend off an unexpectedly strong challenge to his Iraq policy from congressional Democrats.

The setbacks suggest the limits of what colleagues and friends describe as Bolten's quiet drive to recast the administration along more pragmatic lines. Put in place to try to bring order to the administration, the low-key Bolten has found even incremental progress

See BOLTEN, A4, Col. 2

## Hussein's Prewar Ties To Al-Qaeda Discounted

*Pentagon Report Says Contacts Were Limited*

By R. JEFFREY SMITH  
Washington Post Staff Writer

Captured Iraqi documents and intelligence interrogations of Saddam Hussein and two former aides "all confirmed" that Hussein's regime was not directly cooperating with al-Qaeda before the U.S. invasion of Iraq, according to a declassified Defense Department report released yesterday.

The declassified version of the report, by acting Inspector General Thomas F. Gimble, also contains new details about the intelligence community's prewar consensus that the Iraqi government and al-Qaeda figures had only limited contacts, and about its judgments that reports of deeper links were based on dubious or unconfirmed information. The report had been released in summary form in February.

The report's release came on the same day that Vice President Cheney, appearing on Rush Limbaugh's radio program, repeated his allegation that al-Qaeda was operating inside Iraq "before we ever launched" the war, under the direction of Abu Musab al-Zarqawi, the terrorist killed last June.

"This is al-Qaeda operating in Iraq," Cheney told Limbaugh's listeners about Zarqawi, who he said had "led the charge for Iraq." Cheney cited the alleged history to illustrate his argument that withdrawing U.S. forces from Iraq would "play right into

See IRAQ, A4, Col. 2

■ **New papers, new battle in flap over U.S. attorneys' firings.** | A4

## Suspension For Pr. George's Official in 2nd Gun Allegation

By CANDACE RONDEAUX  
Washington Post Staff Writer

Prince George's County police last night suspended the police powers of county official Keith A. Washington, who earlier this year shot two men, as they investigate a claim that he pulled a gun on a real estate appraiser after the man mistakenly knocked on the door of Washington's Accokeek home.

"I directed that Corporal Washington's police powers be suspended today, and his firearm was confiscated for his safety and the safety of the public," Police Chief Melvin C. High said in a written statement.

Deputy Police Chief Michael Blow said at a news conference that police had launched an internal affairs investigation into the incident at the home of Washington, the county's deputy homeland security director.

The investigation is the second in three months to target Washington, who is a county police corporal. The first was launched after Washington shot Marlo Furniture movers Brandon D. Clark, 22, and Robert White, 36, with his police-issued 9mm Beretta on Jan. 24 as they delivered bedroom furniture. Clark died of his wounds Feb. 2. Sources familiar with the case say a grand jury has been convened to hear evidence in the shooting, which Washington says was in self-defense.

Yesterday's alleged misconduct began about 9:30 a.m., when the appraiser drove

See GUN, A6, Col. 1

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HARVESTING CASH | *The Many Definitions of 'Rural'*

## Billions in Grants, Loans Go to Areas Near Cities

AID. From A1

More than three times as much money went to metropolitan areas with populations of 50,000 or more (\$30.3 billion) as to poor or shrinking rural counties (\$8.6 billion). Recreational or retirement communities alone got \$8.8 billion.

Among the recipients were electric companies awarded almost \$1 billion in low-interest loans to serve the booming suburbs of Atlanta and Tampa. Beach towns from Cape Cod to New Jersey to Florida collected federal money for water and sewer systems, town halls, and boardwalks. An Internet provider in Houston got \$23 million in loans to wire affluent subdivisions, including one that boasts million-dollar houses and an equestrian center.

The USDA's regulations determining eligible rural communities vary from program to program and are often influenced by Congress. There are 40 separate programs under Rural Development. They include low-interest housing loans, USDA-backed loans for businesses, and grants for communities and non-profit groups.

In some programs, awards are limited to towns with populations of less than 2,500. In others, it's 5,000, 10,000, 20,000 or 50,000. In still other cases, the USDA bases its decisions on individual streets or blocks, using census data.

"Nobody understands it. I don't understand it," said J. Gregory Greco, a business specialist who works out of the USDA's Rural Development office in Harrisburg, Pa. "You may find one area of town is eligible and another isn't. It can be by street: One side is eligible and another is not. I defy you to give the logic of it."

Although Harrisburg is the state capital and is surrounded by growing suburbs, businesses still qualify for USDA-backed loans because the city's population — 48,000 at the last census — is 2,000 below the cutoff for certain programs. In 2004, the USDA guaranteed a \$1.2 million loan for a new Hyundai dealership near a major interstate there. There are about a dozen other car dealers in the same Zip code, according to government data.

A few miles away, in Camp Hill, the USDA backed more than \$5 million in loans to Coliseum Entertainment Group, which recently opened a restaurant and entertainment complex. And in State College, home of Pennsylvania State University, the USDA guaranteed a \$4.6 million loan to United Entertainment of St. Cloud, Minn., to open a multiplex movie theater. A loan guarantee from the government allows businesses to borrow money at cheaper rates.

Patrick Myers, the president of Coliseum Entertainment, said he learned about the loan program from his bank.

"Apparently, it goes by population," he said of the "rural" designation. "I guess if we compare it to Washington, D.C., we are, but if you compare it to Kansas, we're not."

## The Growing Program

The USDA's role in rural development dates to the Dust Bowl in the 1930s, when thousands of farmers went broke and many of the small communities where they lived dried up like the ground beneath their feet.

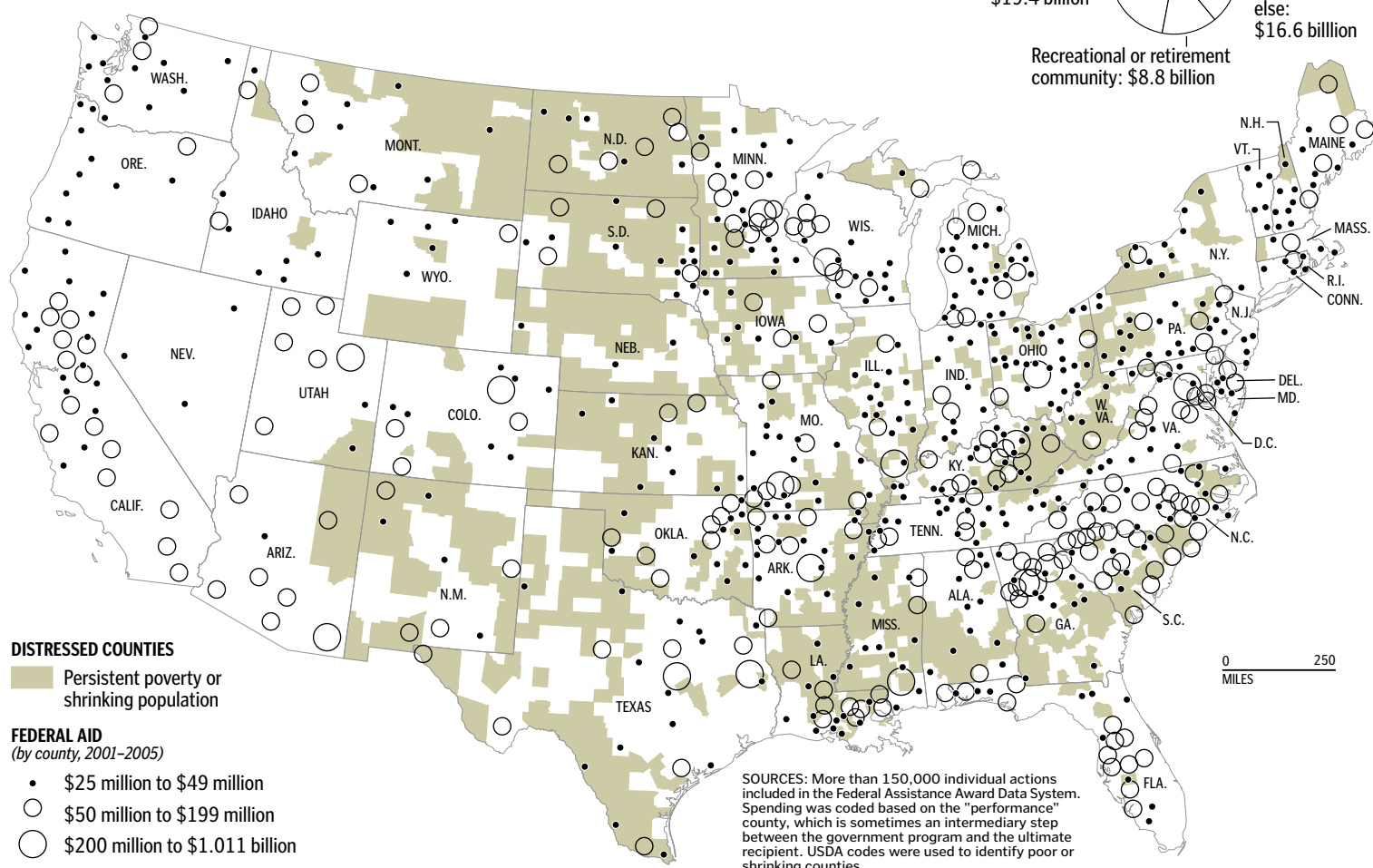
President Franklin D. Roosevelt responded with programs to resettle farmers and bring electricity to isolated corners of the nation. Rural electrification was a resounding success that brought many communities out of abject poverty. Over the years, programs followed for housing, telephones, business loans and community grants — and the eligibility criteria expanded.

Today, 40 separate programs operate under the USDA's Rural Development division. They are included as a separate title in the Farm Bill, the government's five-year master plan for agriculture, currently up for renewal before Congress. There are programs for broadband Internet access, telemedicine and long-distance learning. Rural Development also provides billions in housing loans and rental subsidies for residents in more than 400,000 apartments scattered across the country.

The agency operates programs in every state, Puerto Rico and the U.S. Virgin Islands and has nearly 7,000 employees. Most states have multiple offices. New Jersey, for example, has five, as well as a satellite operation near the beach. Almost 50 employees in New Jersey work on sewer, housing and business programs, awarding loans and grants of nearly \$50 million a year.

Thomas C. Dorr, the undersecretary for Rural Development, describes the division's role as the "venture capitalist for rural America." The program provides "equity, liquidity and technical assistance to finance and foster growth" and preserve rural communities, the political appointee said in testimony before Congress.

The U.S. Department of Agriculture has provided far more in rural development grants, loans and loan guarantees to recipients in metropolitan areas and retirement or resort communities than to those in poor or shrinking rural counties. This map, which highlights these distressed counties, shows the amount of total aid funneled to counties that received at least \$25 million over five years.



## Data Show Rural Money's Urban Drift

A Washington Post analysis found that the U.S. Department of Agriculture's Rural Development program sends billions each year to areas that bear little resemblance to the isolated, rural regions where the program started in the 1930s. Over the past five years, for example, the program has funneled more in grants and guaranteed loans to major metropolitan areas of more than 1 million people (\$10.9 billion) than it has to distressed rural counties (\$8.6 billion).

The analysis was based on more than 150,000 actions reported to the government-wide Federal Assistance Award Data System by Rural Development from 2001 to 2005. The system contained actions totaling \$64 billion, about 90 percent of all of the grants, loans and loan guarantees awarded by the three agencies that make up the program.

The Post's review found that an additional \$8.8 billion was funneled to counties classified by the USDA as retirement or resort destinations. For the \$42 billion that could be analyzed in more detail, The Post found that about 75 percent was sent to Zip codes within a 45-mile drive of an urban area, as defined by the University of Washington's Rural Health Research Center.

— Sarah Cohen

But as the program has expanded, it has become more complicated, bureaucratic and secretive. The USDA instructed its employees not to answer questions from a Post reporter, steering all queries to Washington. Some documents obtained under the Freedom of Information Act were heavily redacted, so reporters could not determine the amounts of loans or locations of businesses. New Jersey officials blotted out names and figures in one of their own news releases.

In general, USDA officials maintain that they are parceling out aid to rural areas according to the rules laid out by the department and Congress. "Rural America is vast," covering 75 percent of the nation's land mass, Dorr testified in October.

Members of Congress take a keen interest in Rural Development programs. Often a member will arrange a photo opportunity when the Agriculture Department awards a grant in the lawmaker's district. In several instances, members have interceded so towns and cities that would not otherwise be eligible could still get money, records and interviews show.

But even members of Congress have pointed out that the rules have become unwieldy. The "mixed definitions" of what is considered rural continue to challenge the Rural Development program, Rep. Frank D.



MacMillan Pier in Provincetown, Mass., was "considered an essential facility as it is the hub of the local fishing industry and the ferry to Boston," an official said, but the industry is waning as tourism takes over Cape Cod.



USDA INSPECTOR GENERAL'S REPORT

Lucas (R-Okla.) said at a March 2006 hearing. "I believe we should work to find a consistent definition of the term 'rural' that would apply to all of the programs across all agencies," he said.

## Boons for Provincetown

Provincetown, at the tip of Cape Cod, qualified for Rural Development aid because it has a year-round population of about 4,000, below the threshold of 20,000 for community loans and grants. The USDA does not take into account that the summer population is at least 10 times as large. Nor does it consider that Provincetown has some of the most expensive real estate in the United States and relatively modest taxes.

Property values are more than six times what they were 20 years ago, and the tax base tops \$2 billion. More than two-thirds of the houses in Provincetown are investment properties or second homes.

But in the eyes of the Agriculture Department, it is still considered to be rural.

"Our regulation says a city or town of less than 20,000. That's it," said Daniel Beaudette, director of community programs for Rural Development in Massachusetts.

Many of the historic houses in Provincetown are being carved up into condominiums, with a tiny one-bedroom unit selling for upwards of \$600,000, according to the town's tax assessor, Paul M. Gavin. "We're kind of like a little Manhattan here," he said.

In 2003, the town received its

\$1.95 million government loan from Rural Development to help rebuild MacMillan Pier. In an e-mail, a spokeswoman for the Massachusetts program explained that the pier was "considered an essential facility as it is the hub of the local fishing industry and the ferry to Boston."

But the local fishery is in decline. "The business of the harbor is now largely related to tourism," the town's Web site says. The ferry costs about \$50 each way.

A short walk from the pier up Commercial Street, the nonprofit Provincetown Art Association and Museum has received four Rural Development loans and grants since 2004, using the money to increase its space, add climate-controlled facilities and renovate the sea captain's house. One loan, for \$775,000, was awarded to cover cost overruns, records show.

Museum Executive Director Christine McCarthy said museum staffers stumbled upon the Rural Development program while looking for grants. "I had no idea they funded cultural projects," she said. USDA officials took a strong interest in the museum. "We're geographically challenged here," McCarthy said.

## Rural by Some Measure

In New Jersey, the most densely populated state, Rural Development has awarded \$250 million for projects in the past five years, including at least \$75 million to beach and coastal towns, a Post analysis found. Last year, the agency spent \$8.6 million on rental assistance there —

more than it spent on such aid in Nebraska, Kansas, Montana or North Dakota.

The city of Wildwood, on the Atlantic north of historic Cape May, experiences population swings similar to those of other beach towns. In the winter, the population is less than 6,000 and includes many poor seasonal workers. But in the summer, the boardwalk and spacious beaches fill up and the population nears 250,000, transforming Wildwood into one of the largest cities in the state. Best known for its low-slung motels and "Doo-Wop" style of architecture, the city is undergoing a revitalization, with property values tripling to about \$2 billion.

Since 2001, Wildwood has been awarded about \$13 million by Rural Development in loans and grants, records show. Nearly \$10 million has been awarded for sewer repairs to handle the surging summer crowds and traffic from a new convention center. Wildwood has also received millions to replace windows and doors at its city hall, renovate a long stretch of boardwalk, repair public restrooms, spruce up streets, and conduct a parking study.

"Because of the densities of Wildwood, Wildwood may not appear to be rural, but it meets the formula for rural," said Gordon Dahl, a federally funded economic development official who has helped the city obtain many of its grants. "It's sort of like saying, 'Is the tax code fair?' Some people would say it is, and some people would say it isn't."

The city, which has been designated an "Urban Enterprise Zone" by

state officials, has enjoyed the backing of Rep. Frank A. LoBiondo (R-N.J.). The congressman and his staff have made numerous inquiries to Rural Development officials on behalf of Wildwood and other towns in LoBiondo's district, correspondence obtained under the Freedom of Information Act shows.

"As I've always said, we are blessed to have Frank LoBiondo as a leader in Congress," Wildwood Mayor Ernie Troiano Jr. was quoted as saying in a news release issued by LoBiondo's office in August. "He continues to be proactive in obtaining necessary grants to help our communities and a fine example of what dedicated public servants means to our communities."

LoBiondo's spokesman said the congressman was responding to Wildwood's request for help. "The congressman is happy to write a letter," Jason Galanes said. "But that's the extent of his involvement."

"It's not for the congressman to create the definition or to dole these grants out," Galanes added. "The argument could be made that the federal government should update its definition. But it's not for the congressman to decide."

The four other beach towns on the five-mile barrier island with Wildwood received grants and loans from Rural Development totaling more than \$10 million, a Post analysis found. Cape May got about \$4 million to repair its sewers. City Manager Luciano V. Corea Jr. said the money is a form of tax relief for local property holders. "It's obviously going to save us a significant amount of money," he said. The median price of a house in Cape May is about \$450,000.

Up the New Jersey coast, the beach town of Lavallette received more than \$5 million for its water and sewer systems. The population is 10 times as large in the summer, more than 30,000, and places a strain on the systems, according to Michele Burk, the town's chief financial officer. The average price of a house in Lavallette is about \$700,000.

Burk said "USDA went out of its way to advertise" that money was available. Ten to 15 years ago, year-round residents had to drive across the bridge to shop, Burk said. "Not so much anymore. Ten to 15 years ago," she said, "it was quite rural."

Rural Development aid can go even to areas from which the spires of Manhattan are visible. Haledon, N.J. — about 10 miles from New York — was awarded grants and loans for its water system totaling \$4 million. "Haledon is a small community, well under 10,000, and it's not wealthy," said Justin Mahon, an engineer who worked on the project. "But would I characterize it as rural? No. This isn't Mississippi."

## Subsidized Suburbs

Rural Development money does not go just to beach towns and hamlets looking to spruce up their boardwalks and rebuild their aging infrastructure. The money also fuels massive suburban growth.

Three utilities serving the booming Atlanta suburbs have received more than \$400 million since 2001, records show.

Jackson Electric Membership Corp. describes its service area as one of the "most dynamic growth centers in America."

Greystone Power serves "eight metropolitan Atlanta counties," according to its Web site, including "some of the fastest growing areas not only in the state but in the nation."

Sawnee Electric Membership Corp. boasts that its territory includes the fastest-growing county in the nation, Forsyth County, in northern Georgia.

Utility companies are allowed to keep coming back to the USDA under a policy known as "once a borrower, always a borrower," which provides rural utilities access to a pool of cheap capital, even if the once-rural territory they served is rapidly transforming into a suburb.

Attempts by the Bush administration to repeal the provision have been rebuffed by Congress.

In addition to electricity, Rural Development money is also funding high-speed Internet service. In 2005, the USDA's inspector general questioned more than \$100 million in loans to wire subdivisions near Chicago, Minneapolis, Pittsburgh and Kansas City. In one case, ETS Telephone Company & Subsidiaries got \$22.9 million to wire a series of new subdivisions outside Houston, including one near a golf course.

"They met the definition for a rural area," USDA officials said.

Research editor Alice Crites contributed to this report.

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