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Printed in Arizona

sunny and hot. A few afternoon

showers in New Mexico. Highs in 80s in mountains, around 110 in deserts. Weather map, Page C10.

\$1.25



Bodyguards shielded President Mikheil Saakashvili of Georgia on Monday as a Russian jet flew over the city of Gori.

That Revealed A Cyber-Ring

By BRAD STONE

As an international ring of thieves plundered the credit card numbers of millions of Americans, investigators struggled to figure out who was orchestrating the crimes in the United States.

When prosecutors unveiled indictments last week, they made a stunning admission: the culprit was, they said, their very own in-

Albert Gonzalez, 27, appeared to be a reformed hacker. To avoid prison time after being arrested in 2003, he had been helping federal agents identify his former cohorts in the online underworld where credit and debit card numbers are stolen, bought and sold.

But on the sly, federal officials now say, Mr. Gonzalez was connecting with those same cohorts and continuing to ply his trade, using online pseudonyms - including "soupnazi" - that would be his undoing. As they tell it, Mr. Gonzalez had a central role in a loosely organized online crime syndicate that obtained tens of millions of credit and debit card

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A Global Trail An Indiana Democrat Offers Risks and Rewards

By CARL HULSE

WASHINGTON - As the Senate debate on the use of force against Iraq neared its climax in October 2002, Senator John Mc-Cain turned on the floor to Senator Evan Bayh to ask what had led him to take such "a visible, as well as important" role in seeking Congressional consent for military action.

Mr. Bayh, a cautious Indiana Democrat, acknowledged it had not been an easy decision.

"There is reluctance in my heart, as I know there is in the other senators, to contemplate the use of force," Mr. Bayh said, adding that he concluded "we were simply left with no other credible alternative to protect the safety and well-being of the American people."

Six years later, Mr. Bayh is one of the leading candidates to be the running mate of the presumed Democratic presidential nominee, Senator Barack Obama, associates of Mr. Obama say. But Mr. Bayh's advocacy for the war could complicate his prospects for getting on the ticket.

Mr. Bayh, 52, is a telegenic moderate Democrat, a father of twins entering their teens, an experienced politician who in 2006 briefly flirted with a presidential

THE PROSPECTS Evan Bayh

run before endorsing Senator

Hillary Rodham Clinton. The son of a senator, Mr. Bayh was a popular two-term governor who could make Indiana, typically rock-solid Republican in presistate and appeal to blue-collar Democrats who have been slow to embrace Mr. Obama.

Mr. Bayh's support of authorizing force in Iraq stands in sharp contrast to Mr. Obama's oft-stated view that he showed the good judgment to oppose the conflict from the start. After his vote, Mr. Bayh in early 2003 joined Mr. Mc-

Cain as an honorary co-chairman of the Committee for the Liberation of Iraq, which made regime change in Iraq its central cause.

"He was not only wrong, he was aggressively wrong," said Tom Andrews, national director of the Win Without War coalition, referring to Mr. Bayh. "In my view, he would contradict if not undermine the Obama message dential contests, a competitive of change, turning a new page on foreign policy and national secu-

Mr. Bayh was unavailable for an interview, but his spokesman, Eric Kleiman, contrasted his evolution on the war with the position of Mr. McCain, saying that Mr. McCain has said he would cast the same vote again. "Sena-

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Russia Steps Up Its Push; West Faces Tough Choices

Calling Shots, Putin Salves Old Wounds

By ELLEN BARRY

MOSCOW - Vladimir V. Putin, who came to office brooding over the wounds of a humiliated Russia, this week offered proof of its resurgence. So far, the West has been unable to check his thrust into Georgia. He is making decisions that could redraw the map of the Caucasus in Russia's favor - or destroy relationships with Western powers that Russia once sought as strategic partners.

If there were any doubts, the last week has confirmed that Mr. Putin, who became prime minister this spring after eight years as president, is running Russia, not his successor, President Dmitri A. Medvedev. And Mr. Putin is at last able to find relief from the insults that Russia suffered after the breakup of the Soviet Union.

"Georgia, in a way, is suffering for all that happened to Russia in the last 20 years," said Alexander Rahr, a leading German foreignpolicy scholar and a biographer of Mr. Putin's.

With Russian troops poised on two fronts in Georgia, speculation abounds on what Mr. Putin really wants to do. He faces a range of options.

Russia could settle for annexing the enclaves of Abkhazia and South Ossetia - something its forces have largely accomplished. Kremlin authorities have also spoken of bringing Mikheil Saakashviii, Georgia's president, to a war crimes tribunal for what they say were attacks on civilians in Tskhinvali last week.

A further push might permanently disable the Georgian military. The most extreme option would be occupying Georgia, a country with a population of 4.4 million and a centuries-old dis-

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Bush Faults Advance Into Georgia -NATO to Meet

By HELENE COOPER

WASHINGTON-Russian troops stepped up their advance into Georgian territory on Monday, attempting to turn back the clock to the days when Moscow held uncontested sway over what it considers its "near abroad," and arousing increasing alarm among Western leaders.

Even as they prepared to convene an emergency meeting of NATO on Tuesday and President Bush denounced the Russian actions in the strongest terms to date, the United States and its European allies faced tough choices over how to push back. They seemed uncertain how to adjust to a new geopolitical game that threatened to undermine two decades of democratic gains in countries that once were part of the Soviet sphere.

Russian troops briefly seized a Georgian military base and took up positions close to the Georgian city of Gori on Monday, raising Georgian fears of a full-scale invasion or an attempt to oust the country's pro-Western president, Mikheil Saakashvili. President Bush, little more than an hour after returning to Washington from the Olympic Games in Beijing, bluntly warned Russia that its military operations were damaging its reputation and were "unacceptable in the 21st century."

"Russia's actions this week have raised serious questions about its intent in Georgia and the region," he said. "These actions have substantially damaged Russia's standing in the world, and these actions jeopardize relations with the United States and Europe."

Administration officials said military options were almost certainly off the table, but the United States did airlift Georgian troops stationed in Iraq back home, answering a plea from the Georgian government and prompting a sharp response from Russia. Washington could also press to ostracize Moscow on the international stage, perhaps by kicking it out of the Group of 8 industrialized nations.

Yet there was no immediate intheir warnings. The country is enjoying windfall profits from oil exports and seems determined to reassert influence over Georgia

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Experts Hired to Shed Light Can Leave U.S. Courts in Dark

By ADAM LIPTAK

Judge Denver D. Dillard was trying to decide whether a slowwitted Iowa man accused of acting as a drug mule was competent to stand trial. But the conclusions of the two psychologists who gave expert testimony in the case, Judge Dillard said, were "polar opposites."

One expert, who had been testifying for defendants for 20 years, said the accused, Timothy M. Wilkins, was mentally retarded, had a verbal I.Q. of 58 and did not understand the proceedings...

The prosecution expert, who had testified for the state more than 200 times, said that Mr. Wilkins's verbal I.Q. was 88, far above the usual cutoffs for mental retardation, and that he was competent to stand trial.

Judge Dillard, of the Johnson County District Court in Iowa

AMERICAN EXCEPTION

The Price of Advocacy

City, did what American judges and juries often do after hearing from dueling experts: he threw up his hands. The two experts were biased in favor of the parties who employed them, the judge said, and they had given predictable testimony.

"The two sides have canceled each other out," the judge wrote in 2005, refusing either expert's conclusion and complaining that "no funding mechanism" existed

for him to appoint an expert. In most of the rest of the world, expert witnesses are selected by judges and are meant to be neutral and independent. Many foreign lawyers have long questioned the American practice of

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As Records Fall, Technology Muddies the Water By JERÉ LONGMAN

and GINA KOLATA

BEIJING - He swam so improbably fast, making up so much ground in a foaming, desperate attempt to reach the wall first in the 4x100-meter relay, that Jason Lezak not only won a gold medal for the United States on Monday, but he also helped to shatter the world record by nearly four seconds.

That race alone would have

provided an astonishing day of swimming at the Summer Olympics, but it was the third world record of the morning and the seventh in three days of competition. An eighth record was set during preliminary races later Monday, matching the total number broken at the 2004 Athens Games and threatening to eventually surpass the 14 established at the 2000 Sydney Olympics. Not only are world marks tumbling, but some are being lowered by staggering margins.

With new suits and a deeper pool, swimmers set as many world records in three days of competi-

tion in Beijing as they did in the entire 2004 Olympics. More coverage at nytimes.com/olympics.

Advances in training techniques, pool design and swimsuit technology have contributed to the increases in speed for swimmers, who also enjoy financial incentives that allow them to remain in the sport longer than they would have two decades ago, when the Olympics were restricted to amateurs. If Michael Phelps breaks the record of seven swimming gold medals won by Mark Spitz at the 1972 Munich Olympics, he will receive a \$1 mil-

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dication that Western powers could exercise much leverage over Russia if it chooses to ignore

Russians Seize Base

Russian armored columns entered the western Georgian city of Senaki and briefly seized a Georgian military base after issuing an ultimatum to Georgia to disarm its troops along the boundary with the separatist territory of Abkhazia. PAGE A8

Georgian Leader Is Tested

The Georgian president, Mikheil Saakashvili, has won praise abroad for wielding soft power to respond to Russian actions. Yet many in Georgia view him as headstrong and reckless. PAGE A9

Civilians Step Up

As swaths of Georgia fell to Russian troops, regular citizens rose to its defense, as part of a Georgian tradition that stretches back to medieval times. PAGE A10

Spotlight on McCain

The warfare in Georgia has put a new focus on the hard line that Senator John McCain has taken against Russia. PAGE A19

INTERNATIONAL A6-14

Contractors in Iraq Cost Billions

The United States has spent some \$100 billion on contractors in Iraq since 2003, or one of every five dollars spent on the war, according to a government report due out Tuesday. Employees of private contractors outnumber American troops in the war zone. PAGE A13

NATIONAL A15-19

Raid on Katrina Agency

Federal investigators raided the offices of a nonprofit agency in New Orleans that is accused of abusing a program created to clean up houses damaged by Hurricane Katrina. PAGE A15



BUSINESS DAY C1-8

As Wall St. Loses, India Gains

Investment banks, having already outsourced back-office work, are now exporting junior banking and other dataintensive jobs to cities that cost less than New York and London. PAGE CI

METRO A20-21

Security Plan for Trade Center

The New York Police Department's latest security proposal for the World Trade Center site entails heavy restrictions including an underground bomb screening center and guard booths. Some critics say the plan may create a inhospitable atmosphere, PAGE A20

Missing A Picasso?

The F.B.I. has art, some stolen, left by a Manhattan eccentric, and is seeking its rightful owners. PAGE A20



SPORTSTUESDAY C11-18

Collapses Catching Up to Mets The bullpen cost the Mets another win

as five relievers combined to lose a fourun lead against the Pirates, PAGE C18

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Glitches in Perception

A team of scientists and magicians describes how the brain operates. PAGE DI

New York's Greenmarket

Michael Hurwitz, director of the program, answers readers' questions. nytimes.com/cityroom

ARTS B1-8

Never Seemed So Good

Four decades into his career, Neil Diamond can chalk up a No. 1 album and fill arenas on his world tour.

EDITORIAL, OP-ED A22-23 David Brooks PAGE A23

Nore Inside The Times. PAGES A2-3 >



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