

ON AND OFF  
Occasional showers  
throughout day.  
Forecast, F6

50¢  
\$2.40 per week by carrier

# The Providence Journal

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THURSDAY  
APRIL 13, 2006

SOUTH COUNTY  
EDITION

2006 New England Newspaper of the Year

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## 'A scathing indictment' of Beacon

The Giuliani consulting firm hired to review the business practices of the state's top workers' compensation insurer finds a pattern of favoritism and several questionable expenses.

BY MIKE STANTON  
JOURNAL STAFF WRITER

The Beacon Mutual Insurance Co. gave preferential rates to some companies and maintained "inappropriate relationships" with certain insurance agents, who received overly generous commissions and went on golf trips to North Carolina and Scotland with Beacon's president, according to a review by Giuliani Security & Safety.

The report, commissioned by Beacon's board of directors in February and released yesterday, paints a damning portrait of Rhode Island's dominant workers' compensation insurer, a non-profit company created by the state legislature in the early 1990s to provide insurance at the "lowest possible price" to the state's businesses for the care of sick or injured workers.

"It is with profound regret that we

must report that we have found instances of abuse, misjudgment, and seriously flawed operating systems," said former Gov. Lincoln C. Almond, head of an independent committee that oversaw the review. "Rather than putting the policyholders first, we have discovered a pattern of favoritism that has unfairly benefited the former chairman of the board, certain policyholders ... and a select group of insurance brokers."

Almond and the other committee members — retired University of Rhode Island business dean Edward M. Mazze and former Rhode Island National Guard Lt. Gen. Reginald A. Centracchio — made several recommendations to reform Beacon and make its operations fairer and more "transparent."

Noting that the review focused on nine companies among the 14,000 insured by Beacon, they recommended a further review of every major Beacon policy.

The two-month review by the consulting firm of former New York City Mayor Rudolph W. Giuliani, which will cost

more than \$1.5 million, will reverberate through Rhode Island's business community and at the State House, where Governor Carcieri and Beacon's political operatives are battling over Beacon-backed legislation that would reduce the

SEE BEACON, A8

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SEE THE REPORT: The 78-page report released yesterday by the review committee is available here: [projo.com/beaconreport](http://projo.com/beaconreport)

## FUNERAL FOR A FALLEN MARINE



JOURNAL PHOTO / JOHN FREIDAH

Fellow Marines wheel Cpl. Brian St. Germain's casket into Holy Apostles Church, in Cranston, for a funeral Mass yesterday.

## 'Ultimate sacrifice' honored

Marine Cpl. Brian R. St. Germain is recalled at a funeral Mass as one "never to back down from a challenge."

BY BENJAMIN N. GEDAN  
JOURNAL STAFF WRITER

The bagpiper's somber melody carried in the breeze yesterday morning, as a procession of police cruisers rumbled toward the Holy Apostles Church to deliver the flag-draped coffin of Marine Cpl. Brian R. St. Germain.

Robert Terlisner, a retired Middletown police sergeant, played for the nearly 600 mourners who filled the pews and as a Lincoln Town Car hearse pulled up at 10 a.m., carrying the body of

St. Germain, the 22-year-old West Warwick man who died near Al Asad, Iraq, on April 2.

Twenty-five police officers from Providence, Johnston, Warwick and East Greenwich stood in formation in the driveway as Marine 1st Sgt. Todd Parisi slowly saluted the coffin and gestured to the six Marine pallbearers to take it inside the packed chapel on Pippin Orchard Road, Cranston.

"On behalf of a grateful nation, I extend to you our deep, sincere and heartfelt sympathies on the death of this brave and courageous young man," the Rev. Richard D. Sheahan said in his homily. "We, too, share in your loss."

On Tuesday, hundreds of friends and relatives

SEE ST. GERMAIN, A2

## Senators promise tax relief

A Senate leadership plan advocates reducing the property-tax burden by reining in state and local government spending.

BY KATHERINE GREGG  
JOURNAL STATE HOUSE BUREAU

PROVIDENCE — Seeking their own ground in the Smith Hill tax-cutting debate, Senate leaders yesterday offered what they hailed as a "property-tax reduction plan."

Conspicuously absent from their proposal were key pieces in the House Democrats' tax package: a two-day sales tax holiday and a new 5.5-percent flat tax aimed at cutting income taxes for the wealthiest Rhode Islanders at an estimated annual cost to the state of \$14.4 million the first year; \$73.1 million when fully implemented.

With money tight this year and beyond, the Senate Democrats — led by Senate President Joseph A. Montalbano and Senate Majority Leader M. Teresa Paiva Weed — suggested the legislature instead take steps to rein in future growth in state and local spending.

The state has the eighth-highest property-tax burden in the nation. Paiva Weed, D-Newport, said: "The average Rhode Island family pays more than twice as much in property tax as they do in income tax." The average property-tax bill in Rhode Island was \$4,048 last year; the average income-tax bill, \$1,849.

Of the package unveiled yesterday, Montalbano, D-North Providence, promised: "Rhode Islanders will feel the difference in their pocketbooks."

Joining them yesterday in a show of bipartisan support was Senate Minority Leader Dennis Algieri, R-Westerly.

The senators are proposing to lower, over six years, the current ceiling on annual city and town spending increases from 5.5 percent to 4 percent of the tax levy, starting in fiscal year 2008.

Exceeding the cap now requires an act of the General Assembly. Exceeding the new cap would require the approval by a majority of those voting in a special election in the community.

SEE TAXES, A6

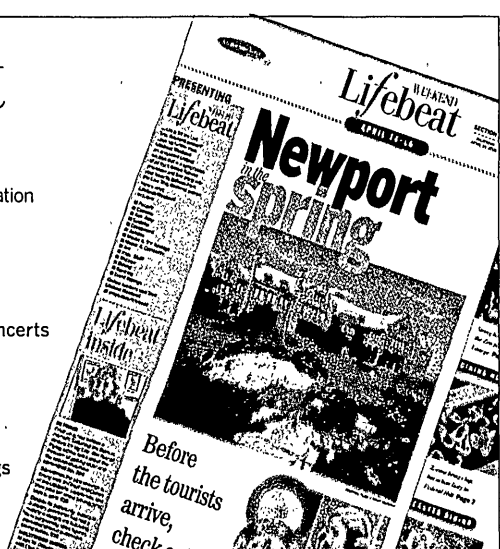
## Presenting Lifebeat WEEKEND

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- Event listings

Online readers can find **Lifebeat Weekend** at [projo.com/lifebeat](http://projo.com/lifebeat)



## Agony of Flight 93 relived in courtroom

The jury in Zacarias Moussaoui's death-penalty trial hears the first public airing of the tape of the cockpit voice recorder from the 9/11 flight that crashed into a Pennsylvania field after passengers fought back.

BY JERRY MARKON and TIMOTHY DWYER  
THE WASHINGTON POST

It began with a muted series of thumps from a sharp knife or maybe human fists. The sounds were muffled but unmistakable, one body blow after another, ending with a squishy thud.

"No, no, no, no, no," came the high-pitched voice of a crew member or flight attendant being subdued. "Please, please don't hurt me," the voice said later. "... I don't want to die." The desperate plea, captured by the cockpit voice recorder of United Airlines Flight 93 on Sept. 11, 2001, was played to a transfixed jury yesterday at the death-



U.S. DISTRICT COURT PHOTO via AP

A photo of part of the wreckage of United Flight 93 presented into evidence yesterday.

penalty trial of Zacarias Moussaoui in federal court in Alexandria, Va.

A foreign-accented voice, increasingly agitated, screamed "Down. Down. Down!" as the whacking sound continued. Then, there was silence. "That's

SEE FLIGHT, A2

## INSIDE TODAY

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## LONG-TERM COMMITMENTS

The Red Sox sign newly acquired center fielder Coco Crisp, left, to a \$15.5-million, three-year contract extension while the New England Patriots agree to a contract extension with Pro Bowl defensive lineman Richard Seymour, above, that will keep him with the team through 2010. **C1**



## ALARM OVER A NUCLEAR IRAN

European nations, along with Russia and China, quickly join the United States in criticizing Iran in the wake of its announcement that it had passed a major milestone in the development of its nuclear program. **A3**



## SILENT TREATMENT

Scientologist Tom Cruise has been practically shouting from the rooftops about his love for his pregnant fiancée, Katie Holmes, but when the couple's much-anticipated baby is born, he probably won't be saying a word, in keeping with his faith's belief that the absence of talk and other noise in the delivery room is more healthful for mother and baby. **A11**