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CNN NEWSROOM

Obama Chooses Mary Schapiro to Head SEC; Blagojevich Fights Back; Season of Thieving; Wild Weather Whipping Through

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DON LEMON, CNN ANCHOR: Hello everyone. I'm Don Lemon, and you are in the CNN NEWSROOM. Tony Harris has the day off. Here are the headlines for you from CNN this Thursday, December 18th.

Barack Obama announcing his choice of a Wall Street watchdog. We'll tell you all about Mary Schapiro.

Hitting the brakes and closing plants. Two of the big three carmakers are taking austere steps to stop the bleeding, but is it enough?

And Illinois's embattled governor, has the government really got a case? We'll get some perspective on the prosecution efforts.

Looking for work? A lot of you are, according to the new job numbers.

New weekly unemployment numbers out today are down, slightly, but they still paint a grim picture of the job market in this troubled economy. The Labor Department reports 554,000 new claims for unemployment benefits just last week. Now, that is a smaller number than economists expected, but filings are still near a 26-year high.

President-elect Barack Obama adding to his economic team that will – a team that will be responsible for handling the current financial crisis. Just a short time ago, he announced his choice to head the agency in charge of protecting your investments.

Let's bring in now our Brianna Keilar, live from Chicago with all the details on that.

Tell us what he announced, Brianna.

BRIANNA KEILAR, CNN CORRESPONDENT: Don, his emphasis here was basically rethinking financial oversight, completely overhauling the Securities and Exchange Commission. And his pick for the chairman of the SEC, Mary Schapiro, very much a part of that.

She has been a commissioner on the SEC before, so she has that experience. But currently, she the CEO of what's called the Financial Industry Regulatory Authority. This is the largest non-governmental regulator of all securities that do business with the U.S. public. She's obviously seen by the president-elect as someone as a bit of an answer to the criticism that those that are supposed to oversee Wall Street have not been doing a good enough job.

(BEGIN VIDEO CLIP)

BARACK OBAMA (D), PRESIDENT-ELECT: We have been asleep at the switch. Not just some of the regulatory agencies, but some of the congressional committees that might have been taking a look at this stuff. We have not been as aggressive and we've had a White House that started with the premise that deregulation was always good.

(END VIDEO CLIP)

KEILAR: Now, if confirmed, Schapiro will replace current chairman, Republican Christopher Cox, who has stated his intention to leave before. He's embattled not only for criticism that the SEC has been too lax in regulation, but also this recent criticism, Don, over the Madoff scandal, this Ponzi scheme that was allegedly pulled off to the tune of \$50 billion by the former Nasdaq chief.

A couple other announcements today all following the theme of regulation. Gary Gensler, as chairman of the Commodities Futures Trading Commission, and Dan Tarullo to a governorship on the Federal Reserve – or the Federal Reserve Board. Obviously some heavy emphasis on policing financial institutions – Don.

LEMON: Yes. You mentioned the criticism there. He's also getting some criticism and some flak, really, over his choice of Rick Warren to give the invocation at his inauguration. He spoke about that today.

What did he say, Brianna?

KEILAR: He did. He spoke at length about this when a reporter asked him during this news conference, because he's gotten some criticism from a lot of socially liberal groups. Really a big constituency in the Democratic Party.

He said that he is a fierce advocate of equal rights for gay and lesbian Americans. He said he's been consistent in that, and he will continue to be consistent in that through this presidency. But he also added that it's important to come together even if there are disagreements.

We know that in his campaign, he talked about really post- partisan politics. He talked about inclusivity. And now he's sort of

experiencing what it means to really try to make good on that promise, Don. It's a bit of a pitfall to do so.

LEMON: Yes. And it's a bit of a -- sort of a conflict there, also.

OK. Thank you very much for that, Brianna.

President Bush says he still hasn't made a final decision on how to help the struggling auto industry. The president addressed the issue during remarks this morning. He says under normal circumstances, he would not be in favor of a bailout. (BEGIN VIDEO CLIP)

GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES: Under ordinary circumstances, failed entities -- failing entities should be allowed to fail. I have concluded these are not ordinary circumstances for a lot of reasons. Our financial system is interwoven domestically, internationally, and we got to the point where a -- if a major institution were to fail, there is great likelihood that there would be a ripple effect throughout the world, and the average person would be really hurt.

(END VIDEO CLIP)

LEMON: The nation's big three automakers are taking steps to stop the bleeding. Their latest efforts include some difficult steps, especially at this time of year.

Chrysler says it will close all 30 of its manufacturing plants for one month. That big shutdown, that will start tomorrow, but Ford is shutting down 10 plants for one extra week in January. Ford blames sluggish sales led to that, for them to shut down just for a month.

Now, General Motors says it is delaying the construction of a new engine factory. That plan is tied to the production of its Chevy Volt, an electric car.

David McAnally of affiliate of WTHR looks at the impact of the Chrysler plant closing.

(BEGIN VIDEOTAPE)

DAVID MCANALLY, REPORTER, WTHR (voice-over): The one-month shutdown here at all Chrysler plants in Kokomo, all 30 nationwide, hits hard.

JASON CARTER, CHRYSLER WORKER: We've just got to ride out the storm and see what's going to happen.

MCANALLY (on camera): Scary though?

CARTER: Oh, very scary. It's a very scary situation.

MCANALLY: The reason for Chrysler's move? You're looking at it -- row after row of unsold cars in the dealerships. That's because of the recession and also because the tight credit market due to the banking crisis, people just can't get loans to buy cars.

PROF. MATTHEW WILL, UNIVERSITY OF INDIANAPOLIS: Dealers that I've spoken to have said that they have too much inventory on their lot and they've been getting pressure from the automobile manufacturer to take more. But they just don't have the money to buy the inventory or the space to warehouse the vehicles.

MCANALLY (voice-over): Chrysler says it will open January 19th, but maybe later. JEFF CARPENTER, CHRYSLER WORKER: I mean, right now, the plant's down to maybe five people in the plant running the machines and on the shift, and that's it.

MCANALLY: Wednesday night, laid-off worker Jeff Carpenter had better luck picking up the spare at the Eagles Lodge just across from the transmission plant. He says Chrysler needs a federal bailout now more than ever.

CARPENTER: Well, if they didn't do that, then just like everybody's been saying, the recession would be huge. Everybody would be out of a job. No taxes being paid. They would close down Kokomo, basically.

CARTER: A lot of us, that's the only thing we've known since we graduated high school, or whatever, graduated college, just working in that factory.

MCANALLY: Jason Carter and his co-workers will get by on unemployment and a supplemental check from the union. Almost full salary. But in a town that depends on auto, every business, everyone is affected.

UNIDENTIFIED FEMALE: It's all going downhill.

MCANALLY (on camera): It's a bad sign?

UNIDENTIFIED FEMALE: Yes, it is.

(END VIDEOTAPE)

LEMON: That was David McAnally of our affiliate WTHR.

Let's turn now to our Christine Romans to get the impact of all of these layoffs.

Where do we stand with the automakers and the auto companies right now, Christine?

CHRISTINE ROMANS, CNN BUSINESS CORRESPONDENT: Well, where we stand is, is there's negotiations going on with the White House and the Treasury to try to figure just what kind of policy options the government has to try to help the big three. We know that Chrysler, closing down, shutting for a month, pretty much unprecedented. A lot of those people working there, as you heard, they don't know what's going to happen on the other end of that. And you've got Ford extending another -- those are all those Chrysler shutdowns. I mean, they affect parts all over the country, including Toronto and a couple of places in Mexico.

Then there's the ripple effect of all of the parts and service providers that are tied up with the big three. Ford, in the best shape, but, of course, then there's problems with the suppliers and it's difficult for Ford. You know, it's a really troubling situation here. Now, there's something that Dana Perino and even the president have said very, very carefully. They have said that they want to prevent a disorderly collapse of the industry, which is code, some people are saying, that maybe they're talking about some kind of like a bankruptcy-like process, some kind of managed bankruptcy-type process for these companies.

You know, I don't know what it's going to look like. I don't think that they on the inside know what it's going to look like yet.

Here's what Dana Perino said. The president just sort of echoed those comments recently. But, "We're aware of their financial situation and are considering possible policy options to provide assistance in an appropriate way. As we've said, a disorderly

collapse of the auto industry should be avoided."

It's a carefully worded kind of position from the White House on this. But clearly, I mean, it comes at a tough time for this industry. And, you know, we just don't know, frankly, what's going to happen next – Don.

LEMON: Yes. And Christine, the president spoke out just moments ago. You said echoed – Dana Perino echoed his words. Why don't we take a listen to the president, and then we can talk about.

ROMANS: Sure.

(BEGIN VIDEO CLIP)

GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES: Chairman Bernanke and Secretary Paulson, after a month of every weekend where they're calling and saying, we've got to do this for AIG or this for Fannie and Freddie, came in and said the financial markets are completely frozen, and if we don't do something about it, it is conceivable we will see a depression greater than the Great Depression.

And so I analyzed that and decided I didn't want to be the president during a depression greater than the Great Depression, or the beginning of a depression greater than the Great Depression, so we moved. And moved hard.

(END VIDEO CLIP)

LEMON: Christine, you can see that the waning days of this presidency, but he appears to be really concerned here. And also, it's part of his legacy as well.

ROMANS: That's right. I mean, all of the questions now about what's been happening, let's just talk about a depression greater than the Great Depression.

I heard those comments, and it kind of caught me by surprise. It tells you what was going on in the mindset of the Treasury and the Fed, and the president and White House in those days in September when the financial system was getting crushed. And make no mistake, it was getting crushed. And now we're looking at a severe recession. We're in it.

But I asked a couple of noted economists, Ken Rogoff, former chief economist of the IMF, now a noted economist at Harvard, and I also asked Lakshman Achuthan from the Economic Cycle Research Institute, were we facing at any point a depression greater than the Great Depression? And they both say no, we were not. That we were not facing 25 percent unemployment, we were not facing people sleeping under bridges, that we have stabilizers in the economy now, we have a modern economy, we have backstops.

We were facing something horrific, no doubt, but something greater than the Great Depression? The people that I'm talking to now say that we were not facing something greater than the Great Depression.

You know, we are in a tough recession right now, and without any of the policies that have been undertaken it would be much worse, no doubt, than it is right now. But something greater than the Great Depression, I'm getting some skepticism on that.

LEMON: It's still very interesting, though, this technology information, in the information age, and we still – you know, the people who are supposed to be in charge of the economy still don't know what's going on. So you know, we shall see. Hopefully it doesn't get so bad.

ROMANS: Well, and we may never no, Don. That's the thing.

So much money has been spent and so many tools have been invented to try to stabilize the economy. We may never know what the alternative could have been.

LEMON: Yes. All right. Christine Romans, thank you very much for that.

ROMANS: Sure.

LEMON: Can things get worse? Unfortunately, some people say yes, a lot worse.

Jim Acosta will take a look at those scenarios in just a few minutes.

(WEATHER REPORT)

LEMON: How strong a case does the government have against Illinois Governor Rod Blagojevich? I'll speak with someone who has worked closely with the federal prosecutor who is going after the governor.

(COMMERCIAL BREAK)

LEMON: You know, an impeachment committee in Illinois, in the hearing here, is from the first witness today as lawmakers try to force Governor Rod Blagojevich from office.

Meantime, the governor is showing up for work, passing bills and professing he is innocent of corruption charges. Take a listen.

(BEGIN VIDEO CLIP)

GOV. ROD BLAGOJEVICH (D), ILLINOIS: I can't wait to begin to tell my side of the story and to address you guys. And most importantly, the people of Illinois. That's who I'm dying to talk to. There's a time and place for everything. That day will soon be here.

(END VIDEO CLIP)

LEMON: Well, you know what? So, how strong is the government's case against Rod Blagojevich?

Joining me now is a former federal prosecutor, Joel Levin. He also was part of the team that put away the state's last governor on corruption charges, George Ryan.

Thank you for joining us here in the CNN NEWSROOM.

So I've got to ask you, how strong is the case? Because if you look at it, no money changed hands. No deals were made. Solicitation, is this the thing that will get Rod Blagojevich?

JOEL LEVIN, FMR. FEDERAL PROSECUTOR: Well, Don, one of the things to keep in mind is that at this point, at this stage in the

proceedings, the government has not put all its cards on the table. They've put information in an affidavit in support of a complaint, but that is only to establish probable cause, to believe that a crime has been committed and that the charge, people have committed it.

So we don't know all that the government has. And, of course, the defense has not had an opportunity to challenge that evidence. There are tapes that are not included in the evidence. So it really remains...

LEMON: But probable cause for what? For what, though? I mean, did any deal-making happen? Was there an exchange of money? I mean, probable cause for what?

LEVIN: Well, probable cause for one thing that a conspiracy occurred. And of course, you have to keep in mind that a conspiracy is merely an agreement to commit a crime, and that some action was taken in furtherance of that agreement.

So the fact that no one was ultimately paid off, no one was appointed to the Senate seat, that does not mean that a crime was not committed. Because, as I say, a conspiracy or an agreement to commit a crime if some action is taken in furtherance of that, that itself can be a crime.

LEMON: OK. Rod Blagojevich, at least from the outside looking in, has been in high spirits. He was outside yesterday talking to media, saying, as soon as I can talk to you I will, maybe by the end of the week. We're hearing that there possibly is going to be a press conference tomorrow between him and his attorney. But his attorney yesterday was at the legislature in Springfield talking about trying to get lawmakers to stop with this impeachment procedure here.

Let's take a listen and then I want to talk to you about it.

(BEGIN VIDEO CLIP)

ED GENSON, BLAGOJEVICH ATTORNEY: We also haven't seen the wiretap. We haven't seen how many conversations there were? We haven't seen whether these were taken out of context. We haven't seen if they were accurately described. We haven't seen whether in fact there are were conversations that show a withdrawal of the statements that were made.

We haven't seen any of this.

(END VIDEO CLIP)

LEMON: OK. You heard Ed Genson there. And Ed Genson, of course, is no joke. And he has represented some high-profile people and have gotten lots of them off.

If he is saying this -- and, you know, I've heard other legal mind saying the prosecution jumped the gun. They should have waited for something to happen. And then also, you had the U.S. attorney, the attorney there, saying, you know what? Lincoln rolled over -- would be rolling over in his grave, and some say that those words are going to come back to haunt him.

What do you say of those matters?

LEVIN: Well, in a situation like this, the challenge of the prosecution is to allow the wiretap to go on long enough so he develops what he considers to be a strong case. But what he has said here is, he didn't want it to go on too long in order to allow other things to occur, such as someone actually to be appointed to the Senate seat after money changed hands.

So it's a challenge. On the one hand, he wants to develop a strong case, but he didn't want to let it unfold too long before preventable damage could have been stopped.

LEMON: OK, Mr. Levin. There are lots of things I want to get to here, if you can answer them quickly for me.

Do you think the case is strong enough?

LEVIN: Well, you know, Don, it's a long way before that determination's going to be made.

LEMON: OK.

LEVIN: Not all the evidence is out there, so I'm not prepared to say now whether or not it's going to be a strong case. I think we need to see a lot more of what is there and give the defense an opportunity to present their side before I or anyone should be making any final determinations as to whether or not, you know, this is a solid case. LEMON: What do you think his defense will be, Rod Blagojevich?

LEVIN: Well, I think Ed Genson gave us a preview of what the defense is going to be, that the statements that are on the tape have been interpreted out of context, that there were other statements, that there are explanations for what he said, that this is all just part of the political process, that there was no intent here to commit any crime.

LEMON: OK. What are the chances that he is not convicted? Because I'm hearing from many legal people that he may get off on this.

LEVIN: Well, I can tell you this, Ed Genson is a fighter. People don't hire him to plead guilty. So I think we can anticipate that this is going to be a long, drawn out affair. What's going to happen down the road? I'm not prepared to predict.

LEMON: Real quickly, I want...

LEVIN: But I think...

LEMON: The other person -- sorry. Finish that thought real quick. You think what?

LEVIN: But I think, as I said, this is going to take some time. And you have very solid and effective legal representation on both sides here.

LEMON: OK. The other high-profile person involved in this, Jesse Jackson Jr., do you think that he has any exposure? He has been called an informant by some in the media, and he resents that. He says he's not an informant.

What do you make of that?

LEVIN: Well, you know, I don't think the government has characterized him as an informant, and I don't think that he himself has said that he is an informant. So I think some third parties have called him that, but I think it's neither here nor there.

He has stated that he did not do anything wrong, he's not guilty of anything. Of course, he has not been charged with anything at this point. So I think it's premature at this point to suggest that he did anything wrong. He hasn't been charged, let alone convicted, of any wrongdoing.

LEMON: All right. Joel Levin, we appreciate you. Thank you very much for that.

LEVIN: Thank you.

LEMON: President-elect Barack Obama says infrastructure spending is a top priority and that decaying highways and bridges need federal help.

But Special Investigations Unit Abbie Boudreau found some questionable proposed projects in a report being sent to the Congress.

What are these questionable proposed projects?

ABBIE BOUDREAU, CNN SPECIAL INVESTIGATIONS UNIT CORRESPONDENT: Well, Don, the U.S. Conference of Mayors is asking for \$73 billion to pay for more than 11,000 infrastructure projects across America. But we found those projects include millions of dollars for museums and zoos, and even a water park ride in Miami.

We asked Miami Mayor Manny Diaz, who's the group's president, about that water park.

(BEGIN VIDEO CLIP)

MANNY DIAZ, U.S. CONFERENCE OF MAYORS PRESIDENT: You can't simply just say that because something sounds like it isn't right that it isn't in fact right.

BOUDREAU: A new ride at a water park?

DIAZ: Well, you know, again, I'd have to look at that particular project and try to understand why that city feels that it's an important project. But again, we're talking about 11,300 projects. Not just one.

BOUDREAU: The new ride at the water park is in your city.

DIAZ: Uh-huh.

BOUDREAU: So what is your response? I mean, I'm asking you as a mayor. I'm surprised that you didn't know about the new ride at the water park.

DIAZ: Well, we have a number of projects. And I don't know which you're referring to, but we just built a new water park, and it may be related to that water park or it maybe outside the city. I'm not sure.

BOUDREAU: \$1.5 million for a new ride at a water park.

DIAZ: But the point is that part of investing in infrastructure also includes parks.

(END VIDEO CLIP)

BOUDREAU: And we'll have more of that interview with the mayor and the full story later today on "THE SITUATION ROOM."

LEMON: Caught him off guard there. Yes.

BOUDREAU: A little bit. I mean, these are important questions. Are they infrastructure – critical infrastructure jobs or are they pork? And that's what we're going to look at later today.

LEMON: 5:00 hour, "THE SITUATION ROOM." We look forward to that. Thank you very much, Abbie.

Representing U.S. interests around the world. Some final thoughts from outgoing Secretary of State Condoleezza Rice.

(COMMERCIAL BREAK)

LEMON: A group of Iraqi government officials arrested today, accused of trying to hatch a plot to the revive Saddam Hussein's old regime. At least 20 employees of Iraq's defense and interior ministries are in custody. A spokesman for Prime Minister Nuri al Maliki says they were arrested on suspicion of "facilitating activities for terrorists and outlaws and officials of a former regime." That's the outlawed Baath Party. Some Iraqi politicians say they doubt the plotters were actively trying to overthrow the government.

Meantime, Britain's prime minister has announced he will withdraw all but 400 troops from Iraq by the end of July.

Condoleezza Rice calls her service over the past eight years an honor. She also says she won't miss the scrutiny.

Rice sat down for one of her last interviews as secretary of state with CNN's Zain Verjee.

(BEGIN VIDEOTAPE)

ZAIN VERJEE, CNN STATE DEPARTMENT CORRESPONDENT: Secretary Rice says among her best moments in the Bush administration were when the Afghans were liberated from the Taliban, when Iraqis went to vote, as well as her historic trip to Libya this year to meet Moammar Gadhafi. I also asked her who she voted for in the election.

Did you vote for Barack Obama?

CONDOLEEZZA RICE, SECRETARY OF STATE: I'm going to continue to say that I'm secretary of state.

VERJEE: I'm dying to know.

RICE: I know you're dying to know. I know you're dying to know, but the fact is, that I didn't get involved in partisan politics. I think I've made clear that I thought that both Senator McCain, John McCain, and Barack Obama, now president-elect, conducted themselves in a way that made the country proud. It's why people I think abroad were so focused on this election.

VERJEE: The worst breach in national security in the history of the United States came under your watch.

RICE: Absolutely.

VERJEE: Did you ever consider resigning?

RICE: I believe that this was . . . VERJEE: Taking any responsibility?

RICE: I do take responsibility. But this was a systemic failure. The United States of America had experienced terrorist attacks in 1993, in 1998, in our embassies abroad. In 2000, against the Cole. And then finally, in September of 2001. But the fact of the matter is that we have not thought of this. We, the administrations before us, had not thought of this as the kind of war against the terrorists that we were going to have to wage.

VERJEE: Let me tell what you what the former Secretary of State Powell said just a few days ago on CNN. He said that he was disappointed. And I'm quoting, "frankly, the National Security Council system didn't function in a way that I thought it should have functioned. We didn't always vet everything in front of the president." You were running the show.

RICE: Well, Secretary Powell and I are very good friends. And we remain so. Any principal who ever wished to say something to the president, I facilitated it within hours. Not within days, within hours. And the president sat with his national security team and everybody had an opportunity to speak their mind. And so if people didn't tell the president something, it wasn't because they didn't have the opportunity to do so.

VERJEE: I asked Rice, based on her experience, what she thought of the whole team of rivals idea for the future cabinet. And she says, differences of opinion are fine, as long as the president knows how to sort through them and make a decision.

Zain Verjee, CNN, Washington.

(END VIDEOTAPE)

LEMON: Well, you think it's bad now? What if China called in all of our national debt? We look at why the U.S. economy could be very vulnerable to outside influences right now.

(COMMERCIAL BREAK)

LEMON: Take a look at what's happening on Wall Street. The big board. The Dow hovering between 40 and 50 today. Right now it's down 45. And the Nasdaq up one. We will check in with our money folks and continue to give you an update right here in the CNN NEWSROOM.

So if you're outraged over big interest rate hikes on your credit card balance, help may be on the way. Federal agencies are voting today on new regulations designed to crack down on credit card companies. Among other things, the rules would keep companies from raising rates on existing balances unless a payment is more than 30 days late. The regulation will take effect by 2010.

Now even with the economy in a recession, the sad truth is, while things are bad, they could always get worse. But what is the worse case scenario? One expert says the crisis we're dealing with right now could threaten national security. CNN's Jim Acosta has the story.

(BEGIN VIDEOTAPE)

JIM ACOSTA, CNN CORRESPONDENT, (voice over): James Rickards spends his time thinking about bad things that could happen to America at the worst possible time. As in, right now, during the current financial crisis.

JAMES RICKARDS, ADVISER TO DIR. OF NATL. INTELLIGENCE: The United States is just more vulnerable when we're in a slightly weakened condition.

ACOSTA: Rickards, a former hedge fund guru who now advises the nation's top intelligence and defense officials, says consider what Osama bin Laden observed shortly after 9/11.

RICKARDS: He immediately started talking about the stock market. He knew exactly how much the stock market had gone down.

ACOSTA: Rickards says an al Qaeda hit on America during the economic meltdown is just one of several worst case scenarios. Consider China. Conventional wisdom is that China would never drop its roughly \$1 trillion in holdings of U.S. debt because it would hurt America's ability to buy Chinese products.

RICKARDS: But actors are not always rational.

ACOSTA: Then there's Russia. Rich in natural gas, it could try to wreak havoc with the global energy market. It's a country that also has a lot of gold. What if the Russians try to come up with a new gold-based currency to compete with the weakened U.S. dollar?

RICKARDS: The United States government couldn't figure out Bernie Madoff. How are you going to figure our Vladimir Putin. I'm not saying all these threats are happening in real time. What I am saying is, what is our capability to analyze and think about them?

ACOSTA: Threats Rickards says that could be tougher to stop if the world economy gets worse.

RICKARDS: You know, the financial experts don't talk to their defense people and the defense people don't talk to the financial experts. And so the government, I don't think, has done nearly as much as it could to kind of integrate those two.

ACOSTA: Would it be a good idea to have people in the Defense Department with financial backgrounds and people in the Treasury Department with defense backgrounds?

RICKARDS: It would absolutely be a good idea.

ACOSTA: Hedge fund managers consulting with the Defense Department?

RICKARDS: I think that's exactly right. ACOSTA: It was once said that 9/11 was not so much a failure of intelligence, but a failure of imagination. By bringing together the best thinking from Wall Street and the Pentagon, the hope is America may do a better job of anticipating the dangers lurking in an unstable, global economy.

Jim Acosta, CNN, Washington.

(END VIDEOTAPE)

LEMON: All right, Jim.

Securing yourself from criminal threats. We'll get some tips from an expert.

(COMMERCIAL BREAK)

LEMON: OK. You should listen to this because what you're seeing on television about crime increasing now, it is real. It is. And we are being told it is the season for thieving. Cities across the country reporting burglaries are up. Criminologists are blaming it on the bad economy and, of course, lots of opportunities to steal during the holidays. So what can you do to avoid being a victim? Security expert Harold Copus joins me now with some tips.

So we've been watching all of this video. Even here in Atlanta, we've been seeing people. There is a gang of thieves running into restaurants, running into businesses and homes, yanking flat screen televisions off the wall and just running out with them. Easy for them to do. How do you protect yourself against that?

HAROLD COPUS, FORMER FBI AGENT: Well, what you have to do is you have to say, let me just start looking in my house. And, you know, you can go green and you can also create security. And when I say green, now's the time to think about putting storm windows and storm doors up. Just make an extra barrier for the bad guy to get into.

Bad guys never participate in a recession. You and I will. Our companies do. They just going to steal more. Their style of living will not go down. They're just going to try doing more things.

LEMON: All right. You said tag your assets, install storm windows and pins. What do you mean tag your assets? How does that help?

COPUS: Well, what you do is you want to make sure that if they steal that plasma TV, that there's some identifier on the back of it to help the police. Maybe your initials. Your last four digits of your Social Security Number. Something so that when they try selling it, we'll be able to say, hey, that's mine. You can't do that.

LEMON: OK. And I have a friend who has just started – she put locks on her plasma TV in the back, the ones that are mounted to the wall. Good idea? Does it help?

COPUS: Oh, it certainly help. And while you're doing that, think about your desktop unit and also your laptop. Take care of those assets that are easily picked and grabbed. These guys will come running in. They will take the first thing they can, then they're going out the door.

LEMON: OK. You know what's interesting, and you can tell me about this. I mean, I've installed motion lights around my house and also there are motion detectors in the house. But something really interesting that thieves don't know is that nanny cam. I have a nanny cam. So if you go in my house, there is video of you in my house, what you look like. Do you suggest something like that?

COPUS: I have it in mine. My attitude is, if you want to come in and I didn't invite you, I want to know what you look like and I'm going to be able to use that with the police to tell them, this is the guy that broke in my place. And nanny cams are the best way to do it.

LEMON: OK. Let's give some more tip. If we can put some of those tips up because I want to go through them. This is very interesting information that people need to know about here. You said identity theft, of course, up as well. People are concerned about their homes. But they should be concerned even this year about identity theft. Use only one personal credit card online so that you have control over it?

COPUS: Certainly. What you want to do is you want to say, listen, for that credit card I'm going to use online, let's make the credit limit very small. Maybe \$500, \$250. If they're going to attack me, they're not going to get a lot of money.

LEMON: All right. Check your credit report quarterly?

COPUS: Certainly. What happens, a lot of times people go out and they'll go out to your trash. They'll steal the information. People aren't shredding. If they're not going to shred, then you better go out and better check your credit report to see who's been getting a credit card in your name.

LEMON: Shredders are cheap.

COPUS: Shredders are very cheap.

LEMON: Very cheap. You may as well use it.

OK. You said don't use a Social Security Number on your license?

COPUS: Well, there was a push about three or four years ago. Let's make life simple. So what I'll do is, I'll put my driver's license number, I'll substitute that and put my Social Security Number. What a breach of security.

LEMON: And putting that on your checks, bad idea.

COPUS: Bad.

LEMON: Some people do that. OK. All right.

Don't let the sales person takes your card away from your sight. That is interesting. Don't let that card out of your sight?

COPUS: Never let it out of your sight. I was just up in Detroit with a friend of mine. He was the assistant chief of police up there. We had someone take the card, go back in the back, they were gone about four or five minutes. I said, what in the world's going on? We didn't pay attention to it. You think we should. Within 12 hours, he had racked up over \$15,000 charges on that card. Don't let them take that card.

LEMON: Thank you very much for that. I think that's important. But really important to protect your home now because, you know, those burglaries are up. You need to install proper home locks. And that means the big ones that you can't kick the door in. Because that's what they're doing, guys. They're kicking the door in. They're running in your house. They're taking it out with a van and they're gone before the police can get there or your neighbors can even see them.

COPUS: Five to eight minutes, the best the police can respond.

LEMON: Thank you, sir.

COPUS: Thank you, sir.

LEMON: Good information.

COPUS: All right.

LEMON: Always good seeing you. Have a happy holiday.

COPUS: Thank you.

LEMON: A safe one as well.

Electric cars may be the future, but the advanced batteries they need are pretty hard to come by in the United States. At least so far. Stephanie Elam has the "Energy Fix" from New York.

Hey there, Stephanie. How you doing?

STEPHANIE ELAM, CNN CORRESPONDENT: I am great, Mr. Lemon. Good to see you.

LEMON: Good to see you.

ELAM: You know, when it comes to producing next generation batteries for electric cars, U.S. companies are playing catch-up with their Asian rivals. Both GM and Ford are planning to roll out plug-in cars, like the Chevy Volt, in 2010. But there's very limited capacity in this country to make the lithium ion batteries those cars will need. Now 15 American companies are joining forces with one of the nation's largest laboratories to help change that.

Their new alliance, which includes 3M and Johnson Controls, plans to ask the Obama administration for \$1 billion in federal aid to build an advantaged battery plant. And there's no question the United States is way behind here. "The Wall Street Journal" reports China is building more than four dozen advanced battery factories. And, Don, there's not even a single one here in the United States.

LEMON: Wow. So why is battery technology so important, Steph?

ELAM: Because, you know, we could have a game changer on our hands if this comes around. Game changer. I just like that phrase.

Alliance members believe this technology could eventually be as important and oil is today, but we'll be trading dependency on foreign oil for foreign batteries if we don't get in the game. Plus, with the U.S. economy in a recession, making next generation batteries domestically could mean new manufacturing jobs, creating a domestic supply chain.

President-elect Barack Obama says he wants to create 5 million new jobs in the next 10 years by investing \$15 billion a year in clean energy technology. A home grown advance battery industry could certainly fit in with those plans.

Of course, Don, if you need another fix, you need some more energy in your life, check out cnnmoney.com and you can get some more info there.

LEMON: All right, Stephanie, I like that, game changer.

ELAM: I knew you would. See, I knew you would get that.

LEMON: You're so clever.

ELAM: I saw that vapors thing you had on yesterday with Josh, though. Thought you'd like that.

LEMON: You're so funny. Thank you, Stephanie. Good to see you.

ELAM: Thanks, Don.

LEMON: A rescue on the ice. That's just one of the stories making news in the snow today.

(COMMERCIAL BREAK)

LEMON: Snow in Las Vegas? Snow in Malibu? An area known for gorgeous beaches and plenty of sunshine and beautifully tanned people? I heard you laughing. Veronica De La Cruz has been watching the weather and engaging the reaction on the web.

Because you would probably want to be there, like I would, enjoying the sunshine. Except there's none right now.

VERONICA DE LA CRUZ, CNN CORRESPONDENT: I know. I know. And you're right, sunny southern California, it is normally known for sandy beaches. Hardly snow, right, Don?

LEMON: Yes, well . . . DE LA CRUZ: You know, well, check this out. It is actually snow that fell during a pre-winter storm that blasted through much of the state yesterday.

And, Don, looking at these pictures, you can tell it was a very light dusting of snow. It was really a . . .

LEMON: But still, snow in southern California. I mean, come -- Malibu?

DE LA CRUZ: It's crazy.

LEMON: Yes.

DE LA CRUZ: It is absolutely nuts. And it's a dusting, which looked more wet than white in some places. But I wanted to show you this.

LEMON: What's the paparazzi going to do there? They're going to have to put covers on their cameras.

DE LA CRUZ: What are they going to do?

Look at this, Don. This is Brooke Bennett. She's an i-Reporter. And she was actually able to capture some of it as soon as it fell. She said it was kind of strange because normally where you see the ocean below, you would see snow.

But here's the thing, Don. By the time Brooke sent us the video, she says the snow was all gone and melted away. So the paparazzi have nothing to worry about.

LEMON: Oh, good for them.

DE LA CRUZ: Another spot that you don't ever expect to see snow. This is Las Vegas. Sin city. Have you been there? The strip?

LEMON: Yes. I have.

LEMON: Yes, I have.

DE LA CRUZ: And you love it, right?

LEMON: I mean, it's a great place. It's not – I'm not a gambler. So – I like to look at all the lights, but that's about it.

DE LA CRUZ: Well, check this out. Vegas received about 3.6 inches of snow. It is the second snowfall in a week to dust the desert city in white. Though the area really hasn't seen snow like this for about three decades. So Malibu, Las Vegas.

I want to take you now to Minnesota. Really cute story for you. A man goes out of his way to help a little deer stuck out on some ice. Take a look at this. It all happened on a lake. It's about 30 degrees out. Pretty cold. The man tried to pick the doe up by hand. He finally just gave up and then he used a rope and towed the doe to safety.

LEMON: Poor Bambi. But Bambi's safe now, right?

DE LA CRUZ: So cute. Bambi is safe. Yes!

All right. So let's get back to the weird weather. A couple spots across the country seeing this wacky weather. We've been asking folks on our Facebook group what they've been witnessing. And Susan Cruise Evani says "it's been snowing a lot in Seattle, in an area that hardly gets much snow. The thing is, they don't really clear the roads. I hardly see any plows. And they don't have any salt. It's strange. The whole area shuts down."

LEMON: Yes.

DE LA CRUZ: Yes. Steve Fountain says, "I'm in Atlanta and I was driving around last night at 10:00 p.m. with my car's convertible top down. It was 66 degrees. And it's a week before Christmas?"

Is this true, Don?

LEMON: I was out this morning in shorts and a T-shirt moving firewood out of the – because it was raining. It's going to rain and then, you know, I wanted the firewood to be dry. So I took it out – in shorts. I mean . . .

DE LA CRUZ: I know. It's been like that here in New York. I also wanted to get you to Anthony Fariori who says that it's been pretty crazy in his area too. He says, "Philadelphia has been very warm and then very cold in the same week."

And just like I was saying, Don, the beginning of the week here in New York, 65 degrees. And the next day it was snowing. And then we're supposed to get more snow tomorrow. You know?

LEMON: Wow.

DE LA CRUZ: So log on to Facebook, search Veronica De La Cruz in the CNN NEWSROOM with Tony Harris. Send us your thoughts. Have you seen some weird and wacky weather?

LEMON: Wacky weather. We'll take the warm part, though.

DE LA CRUZ: Wacky weather.

LEMON: Yes. All right. Thank you, Veronica. Always good to see you.

DE LA CRUZ: Always good to see you.

LEMON: Chad Myers, as you heard Veronica De La Cruz there, we were talking about – what is it? It's like 70 here?

(WEATHER REPORT)

LEMON: CNN NEWSROOM continues right after this with Kyra Phillips.

(COMMERCIAL BREAK)

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