

This document is made available through the declassification efforts
and research of John Greenewald, Jr., creator of:

The Black Vault



The Black Vault is the largest online Freedom of Information Act (FOIA)
document clearinghouse in the world. The research efforts here are
responsible for the declassification of hundreds of thousands of pages
released by the U.S. Government & Military.

Discover the Truth at: **<http://www.theblackvault.com>**



Federal Bureau of Investigation
Washington, D.C. 20535

December 26, 2017

MR. JOHN GREENEWALD JR. / THE BLACK VAULT
SUITE 1203
27305 WEST LIVE OAK ROAD
CASTAIC, CA 91384-4520

FOIPA Request No.: 1392090-000
Subject: STEVENS, THEODORE

Dear Mr. Greenewald:

This is in response to your Freedom of Information Act (FOIA) request.

Records responsive to your request have been processed. In order to avoid charging duplication fees unnecessarily, we have made these records available in the FBI's FOIA Library (The Vault) on the FBI's public website, <http://vault.fbi.gov>. On the right-hand side of the home page, under the heading "Vault Links" you can search for your subject alphabetically (click on "A-Z Index"), by category (click on "Categories"), or by entering text into our search engine (click on "Search Vault"). For records responsive to this request, please enter "Ted Stevens" as the search term.

The available documents represent a final release of information responsive to your Freedom of Information Act (FOIA) request.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. § 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

- ☒ In accordance with standard FBI practice and pursuant to FOIA exemption (b)(7)(E)/ Privacy Act exemption (j)(2) [5 U.S.C. § 552/552a (b)(7)(E)/(j)(2)], this response neither confirms nor denies the existence of your subject's name on any watch lists.
- ☒ Additional records potentially responsive to your subject may exist. Please inform us if you would like the FBI to conduct a search of the indices to our Central Records System.
- ☐ Additional records responsive to your request were processed but are not currently available on The Vault. Please inform us if you would like to receive these records.

For questions regarding our determinations, visit the www.fbi.gov/foia website under "Contact Us." The FOIPA Request number listed above has been assigned to your request. Please use this number in all correspondence concerning your request. Your patience is appreciated.

You may file an appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, D.C. 20530-0001, or you may submit an appeal through OIP's FOIAonline portal by creating an account on the following web site: <https://foiaonline.regulations.gov/foia/action/public/home>. Your appeal must be postmarked or electronically transmitted within ninety (90) days from the date of this letter in order to be considered timely. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so that it may be easily identified.

You may seek dispute resolution services by contacting the Office of Government Information Services (OGIS) at 877-684-6448, or by emailing ogis@nara.gov. Alternatively, you may contact the FBI's FOIA Public Liaison by emailing foipaquestions@fbi.gov. If you submit your dispute resolution correspondence by email, the subject heading should clearly state "Dispute Resolution Services." Please also cite the FOIPA Request Number assigned to your request so that it may be easily identified.

Enclosed for your information is a copy of the FBI Fact Sheet and Explanation of Exemptions.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Hardy", with a stylized flourish at the end.

David M. Hardy
Section Chief,
Record/Information
Dissemination Section
Records Management Division

Enclosure(s)



FBI FACT SHEET

- **The primary functions of the FBI are national security and law enforcement.**
- **The FBI does not keep a file on every citizen of the United States.**
- **The FBI was not established until 1908 and we have very few records prior to the 1920s.**
- **FBI files generally contain reports** of FBI investigations of a wide range of matters, including counterterrorism, counter-intelligence, cyber crime, public corruption, civil rights, organized crime, white collar crime, major thefts, violent crime, and applicants.
- **The FBI does not issue clearances or non-clearances for anyone other than its own personnel or persons having access to FBI facilities.** Background investigations for security clearances are conducted by many different Government agencies. Persons who received a clearance while in the military or employed with some other government agency should contact that entity. Most government agencies have websites which are accessible on the internet which have their contact information.
- **An identity history summary check or "rap sheet" is NOT the same as an "FBI file."** It is a listing of information taken from fingerprint cards and related documents submitted to the FBI in connection with arrests, federal employment, naturalization or military service. The subject of a "rap sheet" may obtain a copy by submitting a written request to FBI CJIS Division – Summary Request, 1000 Custer Hollow Road, Clarksburg, WV 26306. Along with a specific written request, the individual must submit a new full set of his/her fingerprints in order to locate the record, establish positive identification, and ensure that an individual's records are not disseminated to an unauthorized person. The fingerprint submission must include the subject's name, date and place of birth. There is a required fee of \$18 for this service, which must be submitted by money order or certified check made payable to the Treasury of the United States. A credit card payment option is also available. Forms for this option and additional directions may be obtained by accessing the FBI Web site at www.fbi.gov/about-us/cjis/identity-history-summary-checks.
- **The National Name Check Program (NNCP)** conducts a search of the FBI's Universal Index (UNI) to identify any information contained in FBI records that may be associated with an individual and provides the results of that search to a requesting federal, state or local agency. Names are searched in a multitude of combinations and phonetic spellings to ensure all records are located. The NNCP also searches for both "main" and "cross reference" files. A main file is an entry that carries the name corresponding to the subject of a file, while a cross reference is merely a mention of an individual contained in a file. The results from a search of this magnitude can result in several "hits" and "idents" on an individual. In each instance where UNI has identified a name variation or reference, information must be reviewed to determine if it is applicable to the individual in question.
- **The Record/Information Dissemination Section (RIDS)** searches for records and provides copies of FBI files responsive to Freedom of Information or Privacy Act (FOIPA) requests for information. RIDS provides responsive documents to requesters seeking "reasonably described information." For a FOIPA search, the subject's name, event, activity, or business is searched to determine whether there is an associated investigative file. This is called a "main file search" and differs from the **NNCP** search.

FOR GENERAL INFORMATION ABOUT THE FBI, VISIT OUR WEBSITE AT
www.fbi.gov

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

(Mount Clipping in Space Below)

VECO \$ recipients

'Club' targeted by FBI

By MATT VOLZ
Associated Press Writer

JUNEAU — The Corrupt Bastards Club started as a barroom joke last spring among Alaska legislators whose names were linked to large campaign contributions from oil field services company VECO Corp.

"Somebody walked up and said, 'You corrupt bastards,' and that name stuck," said House Finance Co-Chairman Mike Chenault, R-Nikiski.

Campaign contributions from VECO executives to 11 lawmakers, including Chenault, were detailed in a guest opinion article that ran in the state's three largest newspapers in March. A 12th lawmaker, Senate President Ben Stevens, the son of U.S. Sen Ted Stevens, was also noted in the article as receiving generous consulting fees from VECO. Stevens has collected more than \$240,000 from VECO since 2000.

All Alaska Alliance Executive Director Lori

Backes wrote the column, questioning whether the financial linkages between VECO and lawmakers created "undue influence" over the state's political process. Backes' group supports a North Slope natural gas pipeline proposal different from the project favored by Gov. Frank Murkowski and supported by VECO, a heavy hitter in Alaska politics.

"It was a barroom joke that (was made) after Ms. Backes wrote her article about legis-

lators that had received money from VECO," Chenault said.

Hats were even made with the initials "CBC" on them, but "that was the extent of the CBC deal," Chenault said.

"I'm glad that they can make fun of themselves," Backes said Friday when contacted at the offices of the Alaska Gasline Port Authority.

The FBI wasn't laughing when agents served a warrant at VECO's headquarters and

raided the offices of six legislators this week, looking for financial ties between the company and lawmakers, and documents having to do with Murkowski's proposed gas pipeline contract and a related rewrite of Alaska's production tax laws.

Included in the search were the offices of four legislators associated with the Corrupt Bastards Club: Stevens, Rep. Pete Kott, R-Eagle River; Sen. John Cowdery, R-

See 'VECO recipients,' page A-3

(Indicate page, name of A-1
newspaper, city and state.)

KETCHIKAN DAILY NEWS

Date: 09/02/2006
Edition: SATURDAY

Title: VECO \$ RECIPIENTS 'CLUB'
TARGETED BY FBI.

Character:

or

Classification: 194A-AN-13620-M - 266

Submitting Office: Anchorage

Indexing:

FBI - Stevens-529

VECO recipients

Continued from page A-1

Anchorage, and Rep. Vic Kohring, R-Wasilla.

Also searched were the offices of Sen. Donald Olson, D-Nome, and Rep. Bruce Weyhrauch, R-Juneau.

A copy of one of the search warrants, obtained by The Associated Press, links the investigation to the new production tax law signed last month by Murkowski and the natural gas pipeline draft contract Murkowski and the state's three largest oil companies negotiated.

Among the items to be seized, according to the warrant, "from the period of October 2005 to the present, any and all documents concerning, reflecting or relating to proposed legislation in the state of Alaska involving either the creation of a natural gas pipeline or the petroleum production tax."

VECO and its chairman, Bill Allen, were staunch supporters of the governor's production tax plan, a version of which the Legislature passed in August after twice rejecting it earlier this year. Lawmakers have also twice failed to pass legislation related to the governor's pipeline fiscal contract with BP PLC, ConocoPhillips and Exxon Mobil Corp.

VECO's executives are top contributors to Alaska politicians, mostly

Republican. Allen flew to Juneau at the end of the regular session to lobby lawmakers and watch the vote on the new production tax.

The warrant calls for seizure of documents concerning, reflecting or relating to any payment to lawmakers by VECO executives Allen and Richard Smith. Agents also looked for documents about contracts, agreements or employment of legislators provided by VECO. Allen, Smith and company president Peter Leathard.

In the warrant served on state Sen. Donald Olson, D-Nome, agents were also authorized to seize any documents related to fuel payments, landing strip fees, storage fees and similar aircraft costs. Olson owns a flying service.

A specific item named in the search for seizure: "Any physical garments (including hats) bearing any of the following logos or phrases: 'CBC,' 'Corrupt Bastards Club,' 'Corrupt Bastards Caucus,' 'VECO,'

House Speaker John Harris, R-Valdez, said he saw Smith and Kott handing out hats in June during the first special session when lawmakers voted down the petroleum tax bill. But he did not see anything with the "Corrupt Bastards Club" on it.

"They were handing out hats down at the Baranoff (Hotel) at the bar down there. All they had was 'VECO' on them," Harris said.

Chenault said he may still have a "CBC" hat, but he can't recall.

Besides VECO and its executives, agents were authorized to seize any documents related to The Petroleum Club, Republican pollster David Dittman or his company, Dittman Research and Communication Corp., pollster Marc Hellenthal or his company, Hellenthal and Associates, Roger Chan, VECO's chief financial officer, and Olson Air Service, according to the warrant.

Amy Menard, an Anchorage-based attorney for VECO, said the company received a warrant on Thursday. She said the company will cooperate with agents in providing the broad range of information they want.

"We have no information that would suggest that there have been any improper activities either by VECO Corp., VECO Alaska, or any of the principals involved in those companies," Menard said.

A receipt of items seized from Olson's office by the FBI and obtained by The Associated Press lists five things: Olson's 2006 year planner, Murkowski's gas pipeline

proposal released in May, a manila folder labeled "APOC," the Alaska Public Offices Commission, Olson's interim travel file and a binder related to the Alaska Stranded Gas Fiscal contract.

Department of Justice spokeswoman Jaclyn Lesch said Friday the searches began Thursday and continued Friday. FBI spokesman Eric Gonzalez said a total of 20 search warrants were being executed across Alaska, but would not say where.

No further comment is likely to come from the Justice Department unless charges are filed, Lesch said.

Ben Stevens, Weyhrauch and Kott did not return calls on Friday.

Kohring and Olson said they cooperated and was told he was not a target of the investigation.

Cowdery, a Republican from Anchorage, said Friday he didn't know why he was included in the raid or why agents seized items "unrelated to anything," including the stubs of his legislative salary checks. Cowdery said he has not retained an attorney to deal with the matter, but probably will.

It's pretty bizarre," he said. "That's all I know, it's pretty bizarre. I certainly haven't done anything wrong."

(Mount Clipping in Space Below)

OUR VIEW

It's time to back off

Governor, legislators should drop plan for gas line special session

Whatever thoughts anyone may have had of witnessing a miracle and seeing a gas line contract during a special legislative session disappeared before their hopeful eyes Thursday. That's when federal agents arrived at legislators' offices, armed with search warrants.

The federal probe involves one of the state's largest companies and its lobbying efforts on oil and gas legislation, including the proposed North Slope natural gas pipeline deal. There's no way legislators can — or should — meet and vote on such an important issue while the FBI is looking into potential legislative corruption on this and other matters.

It's over. It's time for Gov. Frank Murkowski to cancel his plans for a special session of the Legislature to start Sept. 19. It's time for the Murkowski administration, in its final three months in office, to start putting together its transition packet of information for the next governor to pick up and, hopefully, finish a gas line contract next year.

Gov. Murkowski tried his best to close the deal before he leaves office, but it just isn't going to happen. And no third special session this year is going to make it happen; it will only make it worse.

**Gov.
Murkowski
should shut
down all
gas line
negotiations.**

The risk of further damage to Alaska's hopes of a gas pipeline is too real to ignore any longer at this point. Pressing for a decision by lawmakers in the middle of the election campaign for the governor's successor and 50 legislators is reason enough to put the contract on the shelf until calmer times. The danger is that some candidates will kick so hard at the proposed gas

line deal that all the new governor's men and women next year wouldn't be able to put Humpty Dumpty back together again.

And now it's an even worse time for hurried work sessions by gas line negotiators and legislators, considering the tainted politics and legal uncertainties of the FBI probe into the dealings of Veco Corp., the state's most politically active company. Like it or not, fair or not, the gas line contract is at least a temporary victim of the federal probe.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/03/2006
Edition: SUNDAY

Title: OUR VIEW: IT'S TIME TO BACK OFF

Character:

or
Classification: 194A-AN-13620-M
Submitting Office: Anchorage

- 267

Indexing:

FBI - Stevens-531

Besides giving up on another special session, Gov. Murkowski should shut down all gas line negotiations with the major North Slope producers. Any effort to work toward a deal in his final weeks will just add to the public's distrust and dislike for controversial provisions in the draft contract, especially in the highly charged atmosphere of FBI search warrants, closed-door interviews and rumors.

Before last week's FBI swoop, the governor had been pushing hard for legislative approval of a gas line deal before the Nov. 7 election, when Alaskans will vote on a citizens initiative to impose a billion-dollar-a-year tax on North Slope natural gas reserves. The tax will hit Conoco Phillips, Exxon Mobil and BP for not moving fast enough to build a North Slope gas line. Gov. Murkowski figures — rightfully so — that the heavy tax will not help get the project built. And he figures the only way Alaskans might vote against the tax would be to have a signed deal for the gas line in hand.


The governor went so far last week as to have the attorney general give an opinion on how the Legislature might be able to void, repeal or amend the tax after it passes.


At this point, the best Alaskans can hope for is to complete a gas pipeline contract early next year and then, assuming the punitive reserves tax initiative passes, schedule a special election to overturn the tax or possibly amend the terms. We have to believe that even if Alaskans are angry enough to pass a bad tax this year, they would be smart enough to void it after seeing proof that the project is under way.


BOTTOM LINE: Federal probe is the final nail in the coffin of a special session on the gas line.


194A-AN-13620
Press


Who's up Who's down

 **Legislators:** Knock, knock. Who's there? The FBI. That's no joke.

 **Poker players:** City and federal agents raid a high-stakes Anchorage poker game. Let the chips fall where they may, but was this the best trump card authorities have to play against crime?


 **School contract:** Teachers vote against three-year deal, but union refuses to release the totals. It's not nice to keep secrets.


 **Public broadcasting:** State and federal funding cuts add even more static to TV and radio stations already hurting in the wallet. Maybe the stations should make a show out of their layoffs and call it "Survivor."

 **Smoking initiative:** Opponents of Anchorage's new anti-secondhand smoke ordinance will try gathering signatures for a public vote to overturn the law. Here's hoping healthy residents snuff out the effort.

 **The Great Pumpkin:** J.D. Megchelsen of Nikiski rocks the state fair scale with his Alaska-record pumpkin at 1,019 pounds. Will it keep to Thanksgiving?

 **Alaska fashions:** A Carhartt fashion show at the state fair? Who says Alaskans have no style.

 **Sen. Ted Stevens:** He is outed as the senator who blocked a bill to put federal spending on the Web for all to see. Turns out he had help from his West Virginia pal, Sen. Bobby Byrd. At least it was a bipartisan effort to deny the public.

 **Arctic researchers:** University of Alaska uses oil companies' donations to bring aboard 13 young researchers for polar studies. Green money helps buy cold, hard facts about global warming.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/03/2006
Edition: SUNDAY

Title: ALASKA EAR

Character:
orClassification: 194A-AN-13620-M
Submitting Office: Anchorage

- 268

B-2 Sunday, September 3, 2006

A L A



THE INSIDE MAN: This was one of those annoying weeks when all the great Ear items turned into front-page stories. No one's talking about anything but the FBI raids on sundry legislative and business offices. Alas, the talk has produced only more questions for the Omniscient Orifice.

Was there a wired informant? Did it have to be an actual legislator? Do all those bloggers who think they know the identity of the inside man really know anything?

Is there a connection between the raids and the appointment of a U.S. attorney over Uncle Ted's objections? Are the warrants really the end of the investigation?

Did it actually begin two years ago? Was it really run from Outside? The warrant application was signed by a well-known Juneau FBI agent. What does that mean?

What did poor Dave Ditt-

man and Marc Hellenthal do to attract FBI attention? How delighted was the current CIRI management to answer questions about Veco and past CIRI management? Why does the FBI use blue latex gloves?

Right now, darlings, truth is stranger than Ear.

NEXT: With Alaska Republican Party attorney Bill Large out of the running, and the new guy allegedly here for no more than a year, who is next in line for the U.S. attorney's job? Earwigs report Admin Commish Scott Nordstrand is talking about his application.

PULEEZE: Governor Murkowski officially declared Friday Christopher Allridge Day. He's the campaign volunteer who caught a stray ricochet from the drive-by on Northern Lights on primary day.

Darlings, this is nothing against Mr. Allridge, who is

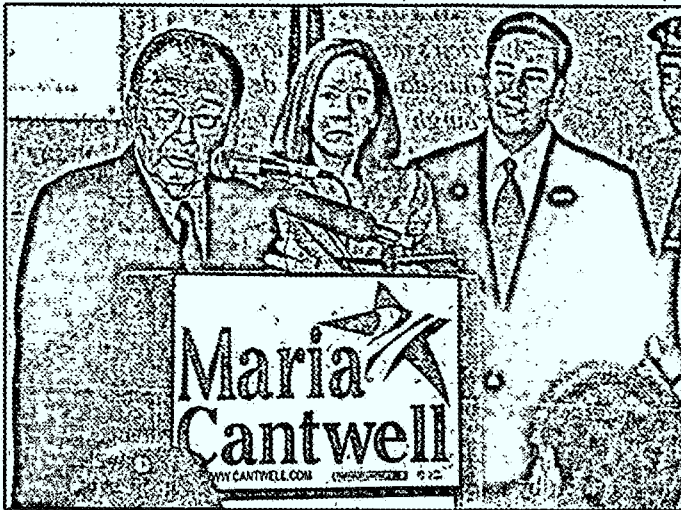
no doubt a good guy. But to proclaim a day in his honor because he showed up that night at election central, pushed in a wheelchair by Frank, thus demonstrating "commitment to open government and volunteer activism?" Give Ear a break.

FLYING FACTOID: Doug Mertz, the lawyer who represents the "Bong Hits 4 Jesus" kid, is married to Margo Waring, a member of the Juneau-Douglas School Board, which her husband sued and beat; the school board that is now taking the infamous free speech case to the U.S. Supreme Court. So does that mean Mertz is sorta suing his wife?

SHAPING UP FOR THE BIG ONE: Curtis Smith, the PR professional who lost his short-lived radio talk show because of a perceived bias in favor of one of his clients, is the new media person for the Sarah Palin campaign. Lobbyist John Bitney is reportedly her policy manager.

• Terry Gardiner, president of NorQuest fish processing before Trident bought it in 2004 and former speaker of the state House, has reportedly signed on as a policy adviser to the Tony Knowles campaign.

OOPS: Remember when Ear congratulated the Dimond-West Little League team for making it to the Northwest Regionals? So far so good. But when Ear



JOHN FROSCHAUER / The Associated Press

Sen. Ted Stevens was probably having a bad week even before the search warrants were served. First he got outed as the perp who secretly derailed a bill to make government contract info easily available online. Then the man he has called his "brother," Sen. Daniel Inouye, D-Hawaii, went to Washington state and campaigned publicly with Ted's arch enemy, Sen. Maria Cantwell, D-Wash. Is it Ear's imagination, or are Dan and Ted starting to look alike?

said they had advanced farther than any Alaska team before, the Luscious Lobe was a tad out of date. The Nunaka Valley Little League Junior Fastpitch Softball team went to the Western Regionals earlier in the month. So, d'Ears, sweet on both of them.

VISITORS: From an AP story: Missouri Gov. Matt Blunt took a secret vacation to Alaska this past week with Massachusetts Gov. Mitt Romney, but salmon wasn't the only thing on the

agenda. Romney is a potential 2008 Republican presidential contender, and the governors' getaway was hosted by Sam Fox, a major Republican fundraiser. An earwig says they went somewhere near Bethel.

LIVING LANGUAGE: The following appears in the Anchorage School District Elementary School Guideline, Page 12, under "inappropriate sexual behavior": "This would include depanting (or) attempting to depant a student."

WHAT THEY THINK OF US: "Alaskan licence-plates may growl that this is 'The Last Frontier,' but urban areas — where four-fifths of Alaskans live — are amply stocked with espresso bars, broadband connections and all the comforts of modernity.

"Alaskans are, on average, slightly richer than Americans who live in the Lower 48 states. Yet they are wrapped in a thick mink coat of subsidies.

"Federal spending supports a third of all Alaskan jobs ... Alaska's representatives in Washington, DC have a hard-earned reputation for piping federal dollars back home.

"A proposed \$229m 'Bridge to Nowhere,' connecting Ketchikan to an airport on an island with a population of 50, is the most notorious boondoggle. But the state is paved with pork — from its half-empty high-speed ferries to the \$500,000 that the federally-funded Alaska Fisheries Marketing Board gave to Alaska Airlines to paint a giant king salmon on one of its aeroplanes.

"Citizens Against Government Waste, a watchdog, calculates that Alaska guzzles more pork per head than any other state. ... Politics revolves around two issues: how to suck more cash out of Washington and more fossil fuels out of the ground."

From www.Economist.com, and there's more.

— Compiled by Sheila Toomey

194A-AN-1560 - Presso

Gubernatorial candidates campaign ethics after FBI raids

Tuesday, September 5, 2006 - by Bill McAllister



Eric Sow/KTUU-TV

Anchorage, Alaska - In the wake of the FBI's influence-peddling investigation, all three major candidates for governor are now boasting of their clean credentials. While legislators remain under an ethical cloud, each gubernatorial hopeful is touting him or herself as the candidate ideally suited to restore trust in state government.

As an FBI probe continues to examine ties between certain legislative offices and the

oilfield services company VECO Corp., former Democratic Gov. Tony Knowles today came out with an unspecific but strongly worded five-point stand on ethics.

"On day one, when I take office, I will execute an executive order requiring all executive branch employees to follow the highest ethical standards and disclose any potential conflicts, so Alaskans are fully informed," said Knowles (right).

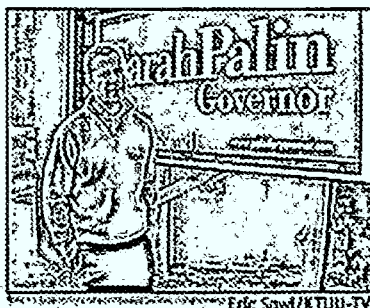


Eric Sow/KTUU-TV

Along with the executive order on disclosure of conflicts, Knowles said he would propose legislation to close what he calls a loophole in the Alaska Executive Branch Ethics Act, which currently allows stock ownership in a company that can be affected by an official's action.

Knowles also said he would propose legislation requiring lawmakers to disclose what work they do under contract for companies who might have interests at the capitol, as well as a code of ethics that would include people who do business with the state.

Increased funding for the Alaska Public Offices Commission and personnel board, which enforce ethics regulations, were also mentioned.



Eric Sow/KTUU-TV

"I think it's encouraging that Mr. Knowles wants to make integrity part of his campaign," said Curtis Smith (left), the spokesman for Republican nominee Sarah Palin's campaign.

FBI - Stevens-535

Smith noted that ethics issues have been a critical issue since the beginning of Palin's campaign, including her ongoing rift with Republican Party chairman Randy Ruedrich (below right), who paid a \$12,000 fine after Palin blew the whistle on him for doing party work at the Alaska

Oil and Gas Conservation Commission.

"Honesty, trust and transparency. They are not a campaign strategy for Sarah Palin. That's how she lives her life, and if



she's elected governor, she expects to be held to that very same high standard by Alaskans," Smith said.

Andrew Halcro, the Independent candidate for governor, said that he was publicly criticizing the behavior of Republican legislators when he was one, and that ethical government was important to him before Palin made it "fashionable."



"I ran these ads, got re-elected and basically during the organization was stripped of all my committee chairmanships," said Halcro (left).

While Halcro agrees that Knowles served two terms without scandal, he says the former governor made mistakes.

"There were several pieces of legislation that Gov. Knowles signed that I would consider ethically questionable: the private prison in Kenai, repealing voluntary term limits," Halcro said.

Knowles says everything he did was above board, which is part of the candidates' three-way conversation about who spoke out or acted on ethics earliest and most often.

Knowles says he will not take campaign contributions from the VECO executives who were targeted in search warrants by the FBI, but did not rule out accepting them from other company employees. Smith says Palin decided early on not to take any VECO money, although the anti-Palin columns and editorials in the VECO-owned Voice of the Times indicate that the feeling is mutual. Halcro also is avoiding all VECO money, which he calls "going out on a strong limb."

Earlier this year, state Rep. Berta Gardner, D-Anchorage, introduced a bill to require a description of the services provided by legislators to private companies that would be sufficient for "a person of ordinary understanding." The bill passed one committee in the House and then died of neglect.

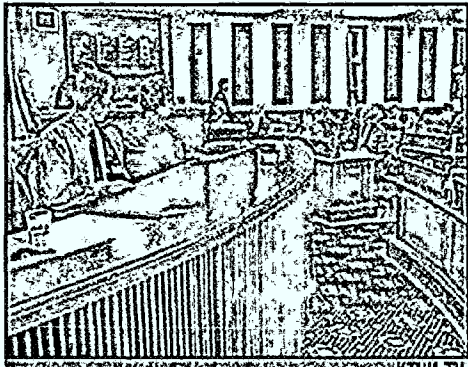
House Speaker John Harris said he expects the bill to get a stronger look next session.

Channel 2 Broadcasting Inc.
<http://www.ktuu.com/>

FBI - Stevens-536

Corruption questions tar upcoming general election

Wednesday, September 6, 2006 - by Bill McAllister

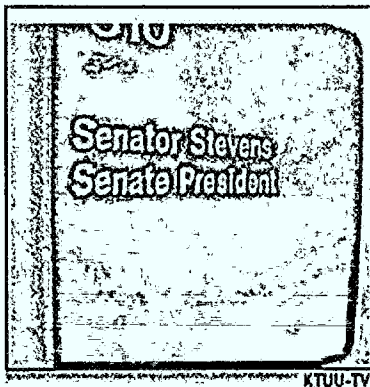


Anchorage, Alaska - The state Legislature is hanging in two kinds of limbo -- legal and political -- and now some lawmakers are saying it's time for some clarity. While lawmakers wonder about the FBI's intentions, they're also awaiting word from Gov. Frank Murkowski. Members of the House of Representatives say they have not heard whether the governor will heed their plea not to call another special session on his gas line deal.

In the meantime, the FBI still is not explaining the execution of two dozen search warrants last week, which included the offices of at least six lawmakers, in a raid seeking information on oil and gas issues. Some of those legislators, whose offices have not been searched, say the FBI needs to level with Alaskans about what's happening.

Legislators who are seeking re-election are doing so in an unprecedented climate following last week's search warrants executed by the bureau in an influence-peddling probe involving oil field services company VECO Corp.

"If it's a fishing expedition, it's a pretty public one right before an election. So now we all get painted with the same brush," said Rep. Ralph Samuels, R-Anchorage (right).



Agents, many of them reportedly not from Alaska, searched the offices of Senate President Ben Stevens, Senate Rules Committee chairman John Cowdery, former House Speaker Pete Kott, House Oil and Gas Committee chairman Vic Kohring, House Ways and Means chairman Bruce Weyhrauch and Senate Finance Committee member Donny Olson. A few other lawmakers and at least one aide say they have been interviewed by the FBI as well.

But with the bureau saying nothing about who might be targeted for what, House Speaker John Harris is calling for some disclosure by the agency.

"I'd like the FBI to come forward with some information. You know, clear as many people as you can, narrow it down, say, 'All right, this one, this one and this one are the ones we're really looking at,' or whatever, rather than say everyone's painted with them," said Harris, R-Valdez.

FBI - Stevens-537

"Let us know what's happening. Are the elected people involved? Are they not involved? Is this simply evidence



gathering? Is it going to be a year? Is it going to be two years?" Samuels said.

But Rep. Harry Crawford, right, says that while there might be an anti-incumbent backlash in the election that undermines innocent legislators, he's glad there's an investigation.

"I'd love to hear what all is going on. And what, if any, charges are going to be filed, and just the rest of the story," said Crawford, D-Anchorage.

But with that story unfolding just two months before the election, some legislators wish they could skip to the end.

VECO Corp. also is concerned about the public relations toll. Although company officers have declined to return numerous phone calls from KTUU-TV, a news release from VECO says it's not surprised by negative media coverage, but is disappointed by any suggestion that the company or its executives have done anything improper or illegal.



Former governor Tony Knowles plans to say something in the morning about how Alaska's next governor will negotiate a gas line deal now that Murkowski's deal is dead. Independent gubernatorial candidate Andrew Halero has called for relatively minor modifications to Murkowski's proposed deal. So far, Knowles, the Democratic nominee, and Republican nominee Sarah Palin have both talked about bargaining from a position of strength and inviting multiple proposals.

Significantly, Murkowski's failure to win legislative ratification of his gas line contract will result in a ballot initiative vote for a \$1 billion tax on gas reserves. The governor had proposed to nullify that tax in the contract.

Channel 2 Broadcasting Inc.
<http://www.ktuu.com/>

FBI - Stevens-538

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/06/2006
Edition: WEDNESDAY

Title: VECO POLITICAL POCKETS
RUN DEEP

Character:

or

Classification: 194A-AN-13620-M

Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-539

Veco political pockets run deep

Before this year's governor's race, the three candidates took donations

By KYLE HOPKINS
Anchorage Daily News

All three major candidates running for Alaska governor cashed campaign checks from Veco — one of the biggest spenders in state politics — in the past. But with a federal investigation now looking into possible corruption involving the oil field services and construction company and state lawmakers, the politicians are saying no thanks.

Former two-term Democratic Gov. Tony Knowles said Tuesday that he won't accept donations from the four Veco officials identified in an FBI investigation

that became public last week. His opponents, outspoken Veco critics Sarah Palin, a Republican, and Independent Andrew Halero, say they want nothing to do with the company.

But that doesn't mean any of the three turned away Veco contributions in past elections. Knowles, who unveiled a five-point plan for improving ethics rules in state government Tuesday, received more than \$23,000 in Veco-related contributions throughout the 1990s as he ran for governor three times, according to a

See Back Page, CANDIDATES

194A-AV-13620-Press

Veco investigation

• **DEVELOPMENTS:** State Rep. Bill Stoitze said the FBI asked him Friday if BP ever asked him to vote a certain way.

• **WASHINGTON STATE:** Republican Senate hopeful Mike McGavick has returned \$14,000 he received in campaign donations from Veco executives.

See stories, Back Page

• **ONLINE:** For complete coverage of the FBI investigation, visit the Web.

www.adn.com/veco

FBI - Stevens-540

In 10 years, four contributed \$570,000

By MATT VOLZ
The Associated Press

The four Veco executives named in warrants the FBI used to raid six Alaska legislators' offices have long been top Republican donors, but the money really started rolling in when natural gas pipeline talks heated up.

Together, chief executive Bill Allen, president Peter Leathard, executive vice president Roger Chan and vice president Rick Smith have given more than \$570,000 to state candidates over the past decade, according to the Institute on Money in State Politics.

The four have also contributed more than \$384,000 to presidential and congressional races in Alaska and other

states since 1997, according to the Federal Election Commission.

Since Gov. Frank Murkowski and the state's three largest oil producers began negotiations to build a \$25 billion natural gas pipeline to Canada about two years ago, the four executives have bumped up the giving.

The four have spent \$231,273 on state candidates in 2004 and through this year's primary elections.

This year alone, the executives have spent \$84,800 on individual legislative races, all to Republican incumbents, challengers or the state's Republican Party.

See Back Page, DONATIONS

194A-AV-13620-Press

CANDIDATES: FBI raid brings uncertainty

Continued from A-1

review of Alaska Public Offices Commission records.

Halcro, who represented Anchorage in the House of Representatives for four years, collected \$5,500 in 1998 and 2000.

While mayor of Wasilla, Palin ran for lieutenant governor in 2002. She gathered \$5,000 — or about 10 percent of her campaign fund — from Veco officials or their wives along the way.

Knowles and Halcro said Tuesday that they wouldn't return the money. It was donated to long-ago campaigns that have no bearing on the current race, they say. Palin was driving to the Kenai Peninsula and couldn't be reached for comment.

Asked about the past Veco contributions, Knowles says that business people should be able to donate money to candidates like anyone else: "This is a democracy." He said it only becomes a problem when those contributors have undue influence on a candidate, and described his own administration as "squeaky clean."

Palin spokesman Curtis Smith said there has long been an understanding inside the campaign that Palin didn't want Veco money.

"She wanted nothing to do with that company," he said, acknowledging that Veco, which supported incumbent Gov. Frank Murkowski during the primary last month, likely wouldn't offer her cash in the first place.

Halcro who served as a Republican legislator but, like Palin, has a reputation as a maverick within the party, said he won't take donations from the company either. But that isn't exactly going out on a limb, he said.

He says Veco donates to candidates it thinks it can control, and by his second term in the Legislature, the money started to dry up. Now, it wouldn't help anyway.

"If Veco shows up on your APOC report, you would imagine that would generate a response from your opponent," Halcro said.

Halcro is running with former Soldotna lawmaker Ken Lancaster, who does not appear to have received Veco-related donations in the current race or previous campaigns.

Knowles' running mate, Anchorage Rep. Ethan Berkowitz, received \$3,000 from Veco officers or their wives in his 1998 and 2000 campaigns.

Palin's running mate, Sean Parnell, received two \$500 checks from Veco officers in August, including one from Veco chief executive officer Bill J. Allen, and

Veco-related campaign donations

By election cycle

(Totals may not include all donations from spouses or family members of Veco officers or employees.)



Andrew Halcro, Independent

■ 1998 state House race	\$3,500
■ 2000 state House race	\$2,000
■ 2006 governor's race	0



Tony Knowles, Democrat

■ 1990 governor's race	\$2,000
■ 1994 governor's race	\$12,500
■ 1998 governor's race	\$8,600
■ 2004 U.S. Senate race	0
■ 2006 governor's race	\$50

*Includes money donated in 1992



Sarah Palin, Republican

■ 2002 Lt. governor's race	\$5,000
■ 2006 governor's race	0

Source: Alaska Public Offices Commission

Compiled by KYLE HOPKINS / Anchorage Daily News

collected about \$16,000 while running for the Legislature in the 1990s.

Palin, meantime, spent the primary election defending criticism from the Voice of the Times — a separate editorial space produced by Veco that appears in the Daily News everyday.

While Palin often draws heat from the oil industry for her association with a natural gas pipeline plan that's at odds with the route sought by oil companies, Parnell is a former oil lobbyist. Can they co-exist on the same ticket?

"Alaskans chose Sean Parnell to run with Sarah Palin. It wasn't necessarily Sarah," Smith said.

Still, he said, "She's not disappointed with Alaskans' choice, that's for sure." He described Parnell as a "straight-shooter" who can work with Democrats and Republicans.

Last week, the FBI raided several legislative offices, armed with at least one warrant that named four Veco officials: Allen, president Pete Leathard, executive vice president and chief financial officer Roger Chan and vice president

Rick Smith.

No one has been charged with a crime.

Randy Ruedrich, chairman of the Alaska Republican Party, said Tuesday that any donations the party receives from the Veco officers will be put aside until investigators decide if anyone is in trouble.

"If any of our candidates ask, we'll encourage them to do the same," Ruedrich said.

Ruedrich said everyone needs to wait and see what comes of the investigation.

"Jumping to conclusions is totally inappropriate," he said.

With Murkowski and some incumbent legislators falling in the Aug. 22 primary and all the candidates for governor presenting themselves as a fresh alternative to the past four years, change was already a theme in this year's election.

The FBI investigation brings even more uncertainty, said Jean Craciun, an Anchorage pollster and public-opinion researcher.

"I don't think that Veco or any of the usual suspects will be presenting themselves as they have in the past. I think they'll probably lay low," she said.

In other words, who wants to be backed by the establishment when anti-establishment candidates are on a roll?

Knowles held his own eight years as governor up for comparison Tuesday, and listed steps he said would ward off future troubles.

He said: Loopholes that allowed former state Attorney General Gregg Renkes to own stock in a company that would benefit from a coal deal he was negotiating for the state need to be closed, executive branch employees would need to reveal all potential conflicts of interest to the public, lawmakers should have to tell people what it is they do to earn lucrative consulting contracts, and state watchdog agencies need more money to enforce the rules.

Ruedrich begged to differ with Knowles' description of his two terms of governor as blemish free, but said he'd need time to research before offering specific examples.

■ Daily News reporter Kyle Hopkins can be reached at khopkins@adn.com.

DONATIONS: *Four gave \$84,000 just this year*

Continued from A-1

Aside from cash contributions, Senate President Ben Stevens, R-Anchorage, has received \$252,000 since 2001 for consulting work from the company, according to disclosure statements filed with the Alaska Public Offices Commission. Little is known about what Stevens did for that money, as he is not required to report details of the work.

One of the roughly two dozen warrants executed in raids last week across Alaska gave federal agents the authority to seize any documents, letters, records, electronic mail or any other form of communication with Veco, Allen, Smith, Leathard and Chan. The warrant calls for seizing proof of payments, contracts, employment, gifts or fundraisers by the executives to the legislators.

The warrant specifically looks for "any and all documents concerning, reflecting or relating to proposed legislation in the state of Alaska involving either the creation of a natural gas pipeline or the petroleum production tax."

The Legislature passed the petroleum production tax last month, a major rewrite of the state's oil tax laws that will base production taxes on the net profits of each oil company's Alaska operations.

Offices raided in Juneau, Anchorage and the Matanuska-Susitna Borough included those of Stevens; Sen. John Cowdery, R-Anchorage; Rep. Pete Kott, R-Eagle River; Rep. Vic Kohring, R-Wasilla; Rep. Bruce Weyhrauch, R-Juneau; and Sen. Donald Olson, D-Nome.

Little is known about the purpose of the investigation. But the raids have soured plans for a special session Mur-

kowski wanted to call for Sept. 19 to again consider his pipeline deal with BP, Conoco Phillips and Exxon Mobil Corp.

Monday, Republican leaders of the House sent Murkowski a letter saying House members have no interest in another special session.

For one thing, the letter says, voters sent the message in last month's primary election that they want change, and House members want to give whoever is elected governor in November the chance to have input on the gas line.

"Second, there is no doubt the FBI investigation of some legislators and dealings with Veco has had an impact on members," says the letter, signed by Speaker John Harris of Valdez and Majority Leader John Coghill of North Pole. "There could be a perception of influence by the public on earlier and possible future special session proceedings. Members believe a cooling off period is essential in order to distance the Legislature from this perception of corruption and give us time to learn what the FBI is attempting to accomplish."

Murkowski spokesman John Manly said the governor's staff is discussing the possibilities for a session with legislators.

"We haven't given up completely. Strike that, we haven't given up," Manly said.

Amy Menard, an Anchorage attorney representing the company, said some Veco employees have a strong interest in politics, which is their right.

"Veco has always worked hard to promote a pro-business and pro-economic development climate in those places where it does business," she said.

Menard added the company is now in a "very intense fact-gathering process" and does not have enough information to elaborate on questions about the executives' political ties.

Allen, Leathard and Chan themselves elaborated on their political interests in an October 2004 newsletter to Veco employees. The three co-authored an article in which they called that election critical to the company's future.

Alaska represents more than 50 percent of the company's business volume worldwide and an even higher percentage of its net income, they wrote.

"The right people in the White House, the U.S. Capitol and the Alaska State Legislature make a huge impact on oil and gas resource development and on the economy of Alaska," they wrote.

Earlier that year, in March, Allen wrote a separate article setting the stage for the elections. He placed at the top of the Alaska agenda opening the Arctic National Wildlife Refuge, oil taxes and the gas pipeline.

The major Democratic presidential candidates, he wrote at the time, are backed by environmental groups and are firmly against drilling in ANWR, and for the pipeline, "they have so far done nothing to move that project ahead."

"Closer to home, the Democratic minority in the Alaska Legislature is calling for a review of taxes paid by the major producers, repeating the statements of past years that the state deserves a bigger share of the pie," Allen wrote.

■ Daily News reporter Richard Richtmyer contributed to this story.

(Mount Clipping in Space Below)

McGavick returns money

■ **\$14,000:** Veco made donations to GOP candidate in Washington's Senate race.

By **RACHEL LA CORTE**
The Associated Press

OLYMPIA, Wash. — Republican Senate hopeful Mike McGavick has returned \$14,000 he received from executives with an Alaska oil services company under investigation by the FBI, his campaign announced Tuesday.

Spokesman Elliott Bundy said the money was returned Friday, a day after federal agents raided the offices of at least six Alaska legislators, including the son of Sen. Ted Stevens.

The senior Stevens hosted a fundraiser in Alaska for McGavick in April that netted about \$100,000 for McGavick's bid to unseat Democratic Sen. Maria Cantwell. All but \$2,000 of the contributions in question came in from six Veco Corp. executives at that fundraiser, including chairman Bill Allen and president Pete Leathard, according to The Center for Responsive Politics, a Washington, D.C.-based group that tracks money in politics.

Bundy said the remaining \$2,000 came in July from vice president

Tom Corkran, who also had given \$2,000 at the April fundraiser.

Bundy said that while details of those at the center of the investigation have not been confirmed by authorities, the reporting by the media that Veco was under investigation was enough for McGavick to decide to return the money.

"We simply wanted to err on the side of caution," he said.

Bundy said they did not announce the return Friday because "we didn't feel the situation warranted an announcement."

"This is a criminal investigation, and it's a very serious matter," he said. The FBI searches began Thursday and continued Friday. A copy of one of the search warrants, obtained by The Associated Press, links the investigation to a production tax law signed last month by Gov. Frank Murkowski and a draft natural gas pipeline contract Murkowski and the state's three largest oil companies negotiated.

The warrant called for seizure of documents concerning any payment made to lawmakers by Allen and Smith. Agents also looked for documents about contracts, agreements or employment of legislators provided by Veco, Allen, Smith and Leathard.

194A-AN-13620-Press

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/06/2006
Edition: WEDNESDAY

Title: MCGAVICK RETURNS MONEY

Character:

or
Classification: 194A-AN-13620-M
Submitting Office: Anchorage.

272

Indexing:

FBI - Stevens-543

FBI wanted to know about Veco, hat gifts

■ **LEGISLATORS:** Reps. Bill Stoltze, Mike Hawker were questioned, not suspected.

By LISA DEMER
Anchorage Daily News

State Rep. Bill Stoltze was at the Alaska State Fair on Friday when his legislative staff alerted him the FBI was in his office. They wanted to talk. He met two agents at a pizza place in downtown Palmer for maybe 45 minutes. They asked about select lawmakers and their relationships with Veco, the Anchorage-based oil field services and construction company.

"They had a list of written questions that they indicated they were asking of a number of people who served in the Legislature," said Stoltze, a Republican whose district stretches from Chugiak to the Mat-Su. He said he asked the agents whether he could talk about the interview and they said he could.

About Veco, Stoltze said, the FBI wanted to know: "Did they ever ask me to vote a certain way? ... Just those types of general questions. Some of them are as silly as 'Did they ever give you a hat?'"

Stoltze and state Rep. Mike Hawker, R-Anchorage, revealed Tuesday that they were interviewed by the FBI as part of a growing federal investigation into possible corruption involving lawmakers and Veco.

Both said their offices were not searched. Both said they were told they were not targets of the investigation.

The FBI is saying little about the investigation, and neither is Veco. So far, no one in Gov. Frank Murkowski's office has been questioned by the FBI, a spokesman said. Agents did interview former Sen. Robin Taylor, who is now deputy transportation commissioner.

Two dozen search warrants were executed Thursday and Friday in six communities — Anchorage, Juneau, Wasilla, Willow, Eagle River and Girdwood. Offices of at least six lawmakers — Sens. Ben Stevens, John Cowdery and Donny Olson, and Reps. Pete Kott, Bruce Weyhrauch and Vic Kohring — were searched.

The FBI also looked over electronic files and other records — probably related to campaign fundraisers — on Friday during a search of The Petroleum Club, a private organization, said Jack Laasch, club president.

"Employees cooperated with the agents and gave them whatever information they asked for," said Laasch, who was in Barrow last week and is just now catching up on the events. "They stayed back in the office. It was business as usual in the lounge and restaurant."

Around the state, agents searched for records on the proposed gas pipeline and the new petroleum profit tax, copied computer hard drives, and looked for hats or other clothing with the logo "Corrupt Bastards Club."

That catch phrase is giving the investigation a quirky Web life of its own. After an opinion columnist wrote a piece published in the Daily News and other Alaska newspapers listing Veco contributions to 11 lawmakers and Gov. Frank Murkowski, lawmakers started joking they were in the "Corrupt Bastards Club" or the "Corrupt Bastards Caucus" and someone printed up hats.

"The joke is the absurdity of the allegations," Hawker said.

Since the news of the FBI investigation broke, whole blogs devoted to the "corrupt bastards" idea have sprung up, as has a Web site selling T-shirts, coffee mugs, baby bibs and even thongs that say "Corrupt Bastards Club."

Hawker said he was interviewed by the FBI on Friday for a couple of hours but said it would be inappropriate for him to reveal specifics.

Stoltze said the FBI was mainly interested in Veco and Kott, R-Eagle River, a former House speaker who lost his primary election race. He speculated that they asked him about Kott because their districts are next door to each other.

During the 2004 election season, Veco made it clear the company wanted Kott to remain in the powerful House speaker position, Stoltze said. But instead, Valdez Rep. John Harris got the post, and Stoltze was part of the crowd visibly supporting him. Nevertheless, Veco later sponsored a fundraiser that benefited Stoltze, among others.

Kott has not returned calls in recent days.

"It's not a comfortable process," Stoltze said. "I haven't done anything in return, but I don't blame the public for being suspicious."

He didn't know about any "Corrupt Bastards Club" hats. But once, he said, Veco gave him a hat with the company name. He gave it to an aide.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/06/2006
Edition: WEDNESDAY

Title: FBI WANTED TO KNOW ABOUT VECO, HAT GIFTS

Character:
or

Classification: 194A-AN-13620-M
Submitting Office: Anchorage

Indexing:

- 273

FBI - Stevens-544

(Mount Clipping in Space Below)

Don't die of shock, but — surprise! — big oil has invaded politics

Hearing that the relationship between certain lawmakers and one of the oil industry's biggest companies might be too intimate is like hearing there was gambling at Rick's Cafe in Casablanca.

I'm shocked — shocked! — to learn that something wrong is going on here.

We still don't know much about last week's FBI raids, other than they targeted some of the Legislature's biggest names and appear to focus on the financial coziness between lawmakers and Veco, one of the oil industry's most powerful political entities in Alaska.

Well, duh.

Oil is to Alaska politics what water is to fish and tequila is to a first date. You can barely have one without the other.

Lawmakers are chummy with the oil industry because they need money to run for office, and the industry is chummy with lawmakers because it

We barely flinch when Bill Allen, who owns Veco, buys The Anchorage Times to push his industry's agenda. The newspaper didn't last, but half an editorial page of it survives and runs every day in this newspaper at significant cost to Veco.

We suppress yawns upon learning Ben Stevens, the president of the state Senate, is on Veco's payroll as a "consultant."

We shrug when we learn that Randy Ruedrich, a member of the state commission charged with overseeing the oil industry, leaks a confidential document to an oil industry lobbyist. In fact, this misconduct mattered so little that Ruedrich could admit he'd been unethical, pay a big fine, and two years later win re-election as chairman of Alaska's Republican Party.

In short, the oil industry does whatever it takes to get what it wants. And there's no shortage of accommodating

Alaskans.

"Somebody says in these halls, 'Bill Allen wants this,' and it gets done," is how Eric Croft, an Anchorage Democrat, described the way things worked in Juneau back in 2002.

Little has changed.

Last week, as the FBI searched offices and interviewed politicians and pollsters, Croft again described a culture that can only be called sleazy: "Lobbyists writing bills. Special interests, not only funding campaigns, which unfortunately I've kind of gotten used to, but hiring legislators as consultants."

Croft proudly proclaimed he was running an oil-free campaign when he made a bid for governor this year. Of the five leading candidates, he was the only one to state he'd accepted no money from the oil industry.

He finished fifth among the bunch. Croft looks pretty good now in the

**BETH
BRAGG**

COMMENT



needs legislation to protect its interests. Each uses the other to get what it wants. Done properly, it's called lobbying, and it's legal.

But it's so much a part of doing business here that the public seems unable or unwilling to recognize when it spins out of control.

We aren't surprised when reports of campaign contributions show that oil and gas executives give generously to politicians, often more generously than those in other industries.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/06/2006
Edition: WEDNESDAY

Title: DON'T DIE OF SHOCK, BUT
SURPRISE-BIG OIL HAS INVADDED
POLITICS

Character:

or
Classification: 194A-AN-13620-M
Submitting Office: Anchorage

~ 274

Indexing:

light of those FBI raids, although we don't know what, if anything, the investigation will expose. We do know a handful of lawmakers took to calling themselves the Corrupt Bastards Club after their names showed up in a newspaper opinion piece about Veco's contributions to 11 lawmakers and the governor. Corrupt Bastards Club logo items have replaced Valley Trash T-shirts as the gotta-have-it Alaska fashion, provided the FBI doesn't confiscate them all.

Even if the investigation fizzles faster than you can say Security Aviation, the FBI is doing us a favor. Someone needs to kick over a few rocks to show us the creepy things living under them. Maybe someday we'll squirm enough to call an exterminator.

■ Beth Bragg's opinion column appears Wednesday, Friday and Sunday. Her e-mail address is bbragg@adn.com.

FBI - Stevens-545

McGavick's Refund

Posted yesterday at 9:41 am by Rick Anderson

Mike McGavick's decision to return \$14,000 in donations from executives and employees of VECO, the global engineering and construction firm, begs the question: Why did the Republican Senate candidate, supposedly a seasoned politico, accept the support in the first place? The money is pocket change for the multimillionaire who, just by quitting his insurance industry job, walked away with a \$28 million bonus. Why bother accepting small and risky donations from VECO's Alaska oil field operations, in a state where both the fish and oil industries are often greased by corruption? Alaska Sen. Ted Stevens, for one, has become a multimillionaire in part through questionable deals tied to his powerful position as senior Republican in the Senate. In 1997, for example, Stevens invested \$50,000 in a local Alaska project; five years later, the developer and his partner bought the investment back for \$872,000. At the same time, Stevens was helping steer a \$450 million federal housing contract to the developer. Similarly, Stevens' son Ben is an Alaska state senator and business consultant who can be on the receiving end of money streams set loose by his father. Court documents show that in 2003 Ben Stevens held a secret option to buy into an Alaska seafood company, Adak Fisheries, owned in part by Icicle Seafoods Inc. of Seattle; at the same time, father Ted was pushing federal legislation to establish a special Aleutian Islands fishing area that could supply Adak Fisheries with millions of dollars in prized pollock, most of it caught by the Seattle-based North Pacific fishing fleet.

Ben Stevens is now caught up in the newest allegations of corruption. His office was among those searched last week by FBI agents looking for evidence of possibly illegal deals between legislators and VECO. It was no secret that VECO executives prowl the halls of power and give freely to state and national campaigns, sometimes illegally (as far back as 1985, VECO was fined \$72,000 for funneling secret campaign donations to Alaska officials through an employee payroll-deduction plan). Such a player makes for cozy dealings in the great white north: Ben Stevens has been on VECO's payroll, earning \$240,000 in unexplained "consulting" fees, the past six years, while Scott Leathard, the son of VECO president Peter Leathard, is on Ted Stevens' payroll, employed as an aide in the senator's offices. It was into this questionable history and familial menage that McCormick strode, presumably eyes wide open, seeking Ted Stevens' political blessings and VECO's financial support at a fund-raiser last April. A spokesperson now says McGavick is returning the money because he wants to "err on the side of caution." You mean, finally?

FBI - Stevens-546

M-275
194A AN-13620-~~1440~~

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

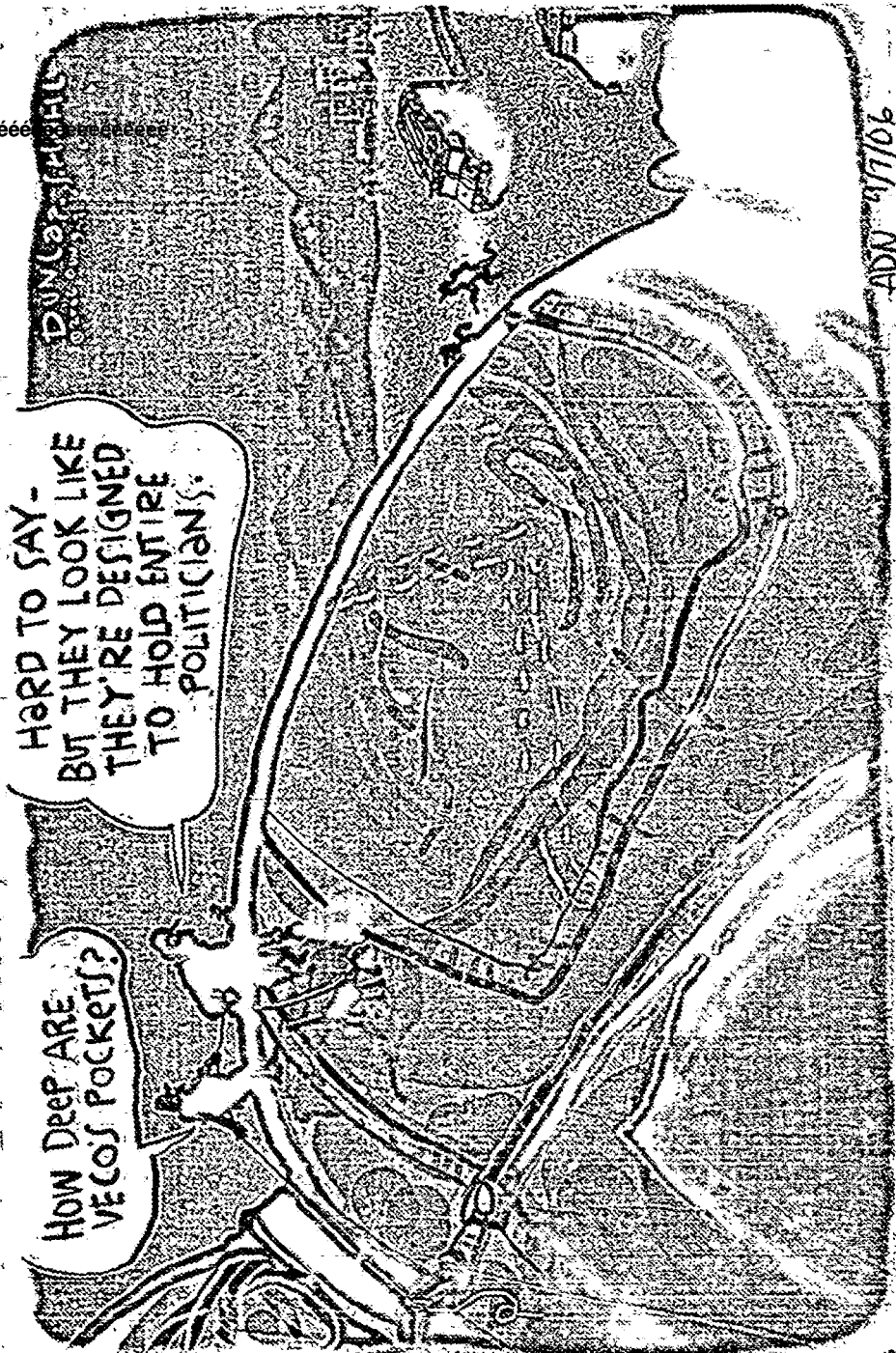
ANCHORAGE DAILY NEWS

Date: 09/07/2006
Edition: THURSDAY

Title: HOW DEEP ARE VECO'S POCKETS

Character:
or
Classification: 194A-AN-13620-M - 276
Submitting Office: Anchorage

Indexing:



FBI - Stevens-547

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/07/2006
Edition: THURSDAY

Title: VECO'S INFLUENCE HAS BEEN
PART OF CAPITOL SCENE
FOR YEARS

Character:

or

Classification: 194A-AN-13620-M

Submitting Office: Anchorage

- 277

Indexing:

see attached

FBI - Stevens-548

Thursday, September 27, 2006

ALASKA NEWSPAPER

www.adn.com

Veco's influence has been part of Capitol scene for years

BILL ALLEN: Near the close of this year's session, he engaged directly with legislators.

By TOM KIZZIA
Anchorage Daily News

For two decades, oil man and political financier Bill Allen has been a familiar presence in the halls of the Alaska Capitol. But toward the end of this year's regular legislative session, the Veco chief executive may have taken that familiarity a step too far.

Allen was watching the state House debate oil taxes on the next-to-last night of business in May when he began passing notes to legislators across the railing of the small spectator gallery, according to Rep. Harry Crawford, D-Anchorage. Rules say the public can pass notes through the front door to be delivered by a page. Direct engagement from the visitor gallery is forbidden once the speaker's gavel sounds.

Crawford said he saw Rep. Tom Anderson, R-Anchorage, carry several notes from Allen to other legislators. Anderson has re-

ceived Veco campaign contributions and has also reported \$30,000 in consulting contracts with the company since 2003. Several other legislators say their staff observed similar goings-on.

"He was definitely directing traffic back there," Crawford said of Allen.

Democrats were frustrated as cell phones rang and legislators returned from at-ease breaks to reverse votes they'd just taken. House minority leader Ethan Berkowitz finally stood up and gave a speech blasting undue interference in the legislative pro-

cess. He said later he was referring not just to Veco but to meddling during House floor sessions from all directions, including Murkowski administration officials.

Allen later sent an e-mail to some legislators apologizing for getting carried away, said Sen. Ralph Seekins, R-Fairbanks. Seekins, who wasn't in the House chamber that night, said it wasn't clear exactly what Allen was referring to other than getting "a little overexuberant." Seekins said he no

INSIDE

■ VECO Q&A:

A quick rundown of what's known, what isn't and what's next in the FBI's Alaska investigation.

Back Page

FBI - Stevens-549

194A-20-13620-7225
See Back Page, VECO

(Mount Clipping in Space Below)

What's known and what isn't in FBI's Alaska investigation

By LISA DEMER
Anchorage Daily News

Q. What is the investigation about?

A. The FBI won't say. But witnesses who have been interviewed say it's clear the feds are examining the relationship between Alaska state legislators and Veco, an oil field services and construction contractor. One of the search warrants says agents are looking for documents concerning "anything of value provided by Bill J. Allen, Richard Smith, and/or Veco to any public official." Allen is Veco's chief executive officer, and Smith is a corporate vice president. The warrant also says agents are seeking information about legislation for the proposed natural gas pipeline and the new petroleum production tax.

Q. Who is leading the investigation?

A. The FBI.

Q. Who is being investigated?

A. The FBI won't name the targets. About 24 search warrants have been executed in six Alaska communities: Anchorage, Juneau, Wasilla, Willow,

Eagle River and Girdwood. Search warrants were executed at offices of six legislators: Senate President Ben Stevens, R-Anchorage; Sen. John Cowdery, R-Anchorage; Sen. Donny Olson, D-Nome; Rep. Pete Kott, R-Eagle River; Rep. Vic Kohring, R-Wasilla, and Rep. Bruce Weyhrauch, R-Juneau. Cowdery, Olson and Kohring have said they don't believe they are targets of the investigation. Other lawmakers and former lawmakers have been interviewed, as have executives with Cook Inlet Region Inc. and at least one Anchorage political pollster and consultant.

Q. Besides offices of lawmakers, where have search warrants been served in the case?

A. Veco, The Petroleum Club and the office of political pollster Dave Dittman. Other locations haven't been disclosed.

Q. Has anyone been charged or arrested?

A. No.

Q. Is the U.S. attorney's office involved?

A. Yes. But the role of the Anchorage office isn't clear. Some prosecutors have directed queries to the U.S. Jus-

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/07/2006
Edition: THURSDAY

Title: WHAT'S KNOWN AND WHAT ISN'T IN FBI'S ALASKA INVESTIGATION

Character:

or
Classification: 194A-AN-13620-M -278
Submitting Office: Anchorage

Indexing:



TO SEE one of the search warrants, read Veco's statement and see more on the investigation, go to www.adn.com/veco

tice Department in Washington, D.C. Nelson Cohen, interim U.S. attorney for Alaska, said Wednesday: "We don't explain our role. We don't explain what we do. We don't explain why we do it. We have no comment. ... The policy is based in part on the reality that investigations create rumors and that people who are completely and totally innocent and may never be charged with anything could have their reputations besmirched, their character tarnished in some way, for no reason."

Q. So is the case being handled out of Washington?

A. No comment, Cohen said.

Q. What does Veco say?

A. On Wednesday, Veco Corp. issued a one-page statement in which it said it is cooperating with federal agents. "To Veco's knowledge, it has done nothing

FBI - Stevens-550

ing improper or illegal," Veco said in its statement. "... If Veco had failed to work to enhance business sectors, it would not be the robust company it is today, and it would have failed to serve its clients and employees. Veco regrets if those efforts could be construed as wrong, especially in view of the fact that the right to participate actively in the political process is something treasured by all Americans." The full Veco statement is online at www.adn.com.

Q. Has the FBI seized records?

A. Yes. Computer records and other files have been copied or seized by agents.

Q. Were wiretaps used in the investigation?

A. The FBI won't say.

Q. Can the public see the search warrants?

A. Not most of them. All of the warrants officially remain sealed at this stage in the investigation. So do the FBI affidavits that laid out the government's evidence to the magistrate judge who approved the search war-

rants. One state senator has given reporters a copy of the warrant served on his office, and it has been described in various news accounts. A copy of the document is online at www.adn.com.

Q. Besides the FBI, what agencies are involved?

A. Numerous federal, state and local law enforcement agencies have assisted in the investigation, said FBI spokesman Eric Gonzalez, though he couldn't reveal precisely which ones Wednesday except for the IRS.

Q. How many agents were involved in the searches last week?

A. Several dozen FBI agents from across the country, including Cincinnati, Pittsburgh and Sacramento, Calif.

Q. What's next?

A. Again, the FBI won't say. But generally, the FBI will examine seized evidence, continue witness interviews and consult with federal prosecutors in deciding whether to pursue charges. Often evidence is presented to a grand jury. Sometimes cases fizzle with no charges brought.

VECO: Allen's protests prompted structuring of lobby laws

Continued from A-1

longer had a copy of the e-mail.

Allen did not return a message Wednesday seeking comment on the episode. Anderson was traveling and could not be reached for comment.

Veco's role in Alaska's political process is under intense scrutiny now. Last week the FBI served search warrants on legislative offices and others seeking a wide range of information related to Allen and other Veco executives, including gifts to public officials. But much of Veco's influence, dating from the early 1980s, comes from sources in plain sight. This includes close to \$1 million in state and federal campaign contributions over the past decade as well as consulting contracts with individual legislators.

"It's not just their checks. It's all the people who show up at their fundraisers," said Andrew Halero, a former Republican legislator now running for governor as an independent. "They can bring lots of other people to the table. That's where people underestimate the company's power."

Late Wednesday, Veco issued its first official statement after an eventful week. The company said that, to its knowledge, it had done nothing "improper or illegal." Veco said it had offered to assist the federal investigation and defended its right to get involved in the political process.

SWAY OVER REGULATIONS

Veco's presence in Juneau is distinctive not just for its role in helping finance many campaigns but for the personal role played by Allen and several other company executives. Veco has hired top-drawer professional lobbyists in the past, as it did while pushing for a private prison between 1996 and 2002. But Allen, 68, is known for taking a personal hand in promoting his priorities, in a manner often described as gentlemanly rather than bullying.

Halero said he got crossways with the Veco boss two days after first being elected in 1998. As House Republicans organized around two factions, Allen called to suggest Halero side with Rep. Pete Kott in the name of party unity. Halero recalled. Halero said he was lining up instead with Rep. Brian Porter. He said Allen started talking about all the money he'd raised that year for the Republican Party and the help he'd given Halero's own campaign.

"I thought, 'This guy's putting the strong arm on me,'" Halero said. "You hear about these stories. I couldn't get off the phone fast enough."

In 2002, Allen became so involved pressing for two priority pieces of legislation that he got pinched by the state's lobbying law. In a bold display of Veco's influence, Allen's protests prompted Republican legislators the next year to overhaul the state's regulation of lobbyists, passing what opponents called "the Bill Allen bill."

At the time, business owners were supposed to register as lobbyists if they put in more than four hours of face-to-face time with public officials over a 30-day period. The four-hour standard had been in place since 1979, according to the Alaska Public Offices Commission. Teachers, city council members and other group members on lobbying trips had an exemption known as "legislative fly-ins." No one ever complained, said APOC assistant director Chris Ellingson.

In 1996, the Legislature added a new twist — anyone registering as a lobbyist was barred from giving campaign contributions outside his or her home district. The idea was to prevent favor-seeking lobbyists from working a building full of people they'd given money to.

Allen spent a lot of time in the Capitol in 2002, pressing the Legislature to pay for a private prison in Whittier (Veco was teamed with a national prison company, Cornell, to build the project) and to authorize a property tax break for construction of a North Slope natural gas pipeline.

Allen was in the Capitol so much that APOC ordered him to register as a lobbyist. Allen protested, saying business owners looking out for their own interests should not be treated like professional lobbyists who represent a variety of clients.

Allen eventually complied, registering for 2002 and 2003 and reporting his hourly wage as \$156.25. That meant he had to forgo writing campaign checks in those years. (Not that candidates were starved for Veco money: Other company officials gave more than



ERIC HILL / Daily News Archive 1995

Veco's Bill Allen, fourth from left in the Senate gallery, listened to floor debate as the 1995 legislative session drew to a close mid-May in Juneau. Allen has not registered as a lobbyist since his protests led to an overhaul of those laws several years ago.

Veco Corp. at a glance



- Headquarters: Anchorage
- Other offices: Bellingham, Wash.; Denver, Durango, Colo.; Rock Springs, Wyo.; Calgary, Alberta; Vancouver, British Columbia; Mumbai, India; Abu Dhabi, United Arab Emirates
- Founded: 1968
- Employees: About 5,000 worldwide, 1,200 in Alaska
- Sales: Estimated \$325 million in 2004
- Industries works in: Oil and gas, oil refining, pipelines, and terminals, power plants and systems, chemical and petrochemical, food packaging, government.
- Activities: Engineering, procurement, construction, construction management, fabrication, pipeline-integrity management.
- Owners: Allen Limited Partnership, 62%; Tammy Kerrigan Revocable Trust, 17%; Leathard Limited Partnership, 10%; Roger Chan, 6%; Bill Allen, 5%.
- Other:
 - Gov. Frank Murkowski named Veco the state's Exporter of the Year last spring
 - Prime contractor cleaning up the 1989 Exxon Valdez oil spill
 - Owns the Voice of the Times, a half-page opinion section in the Daily News
 - No. 26 on Engineering News-Record magazine's list of nation's 500 largest design firms

Sources: State of Alaska, Veco Corp., Alaska Business Monthly, Daily News research

Compiled by BILL WHITE / Anchorage Daily News

\$200,000 to state candidates in 2002 alone.)

Also snared by the APOC that year was David Marquez, an ex-Arco lawyer doing \$150-an-hour contract work for Veco on the gas pipeline property tax exemption. He eventually registered. Marquez is now the state attorney general, appointed by Gov. Frank Murkowski in 2005 after Gregg Renkes was forced out in an ethics scandal.

Neither the private prison bill nor the gas line tax break passed, though both came close. But the lobbyist law that annoyed Allen was doomed. Objections to the four-hour rule started to fly, with the Alaska Chamber of Commerce taking the lead in pushing for change. In its lobbying overhaul of 2003, the Legislature changed the definition of lobbyist from someone who engages in four hours of direct lobbying in a month to 40 hours.

"Why should John Q. Public be restricted that way?" Seekins, the primary sponsor of the change, said this week. "Two rounds of golf with me and you've got to be a professional lobbyist. That isn't right."

Allen has not registered since. He has resumed making contributions and hosting fundraisers. But that may change again. Voters in the August primary reversed the Legislature's 2003 changes, cutting the number of hours to define a lobbyist from 40 hours to 10 hours. The new lobbying law, approved as part of a campaign finance package by 73 percent of the voters, will be in effect by the next legislative session. FBI - Stevens-552

GROWTH INTO POLITICAL ACTIVISM

Veco's beginnings as an oil field contractor reach back to the early 1970s after Allen, a New Mexico welder, moved to Alaska to work on Cook Inlet oil platforms. Past news accounts of the company's early years describe an unusually close relationship between Allen and the oil company Arco, which was later bought out by BP. The stories also depict a joint venture in the North Sea that fell apart when Allen's partner was banned for kickbacks of watches and boots to Phillips Petroleum contract officials.

A disastrous investment in a Houston shipyard brought Veco to bankruptcy court in 1982, but the company was reorganized with support from North Slope producers Arco and Sohio and adopted a new role of political activist. Some veteran legislators who found themselves opposed by Veco-financed candidates alleged that Veco had been set up by Alaska's oil giants to do their political work. Officials for the companies denied any collusion.

Veco started out promoting pro-development Republicans, with former Sen. Ed Dankworth helping organize leadership coalitions as Allen's lobbyist. For a decade starting in the late-1980s, with Democrats controlling the governor's mansion, Veco money flowed to both parties, though lately it has again mostly helped Republicans.

Some of Veco's campaign efforts ran afoul of the law. Veco was fined by APOC in 1985 for a scheme that funneled secret donations to certain candidates through employee deductions. In 1989, APOC investigated a \$1,000 contribution made by Allen's girlfriend. Bank records showed she had made a \$1,000 deposit and wrote the check the same day, leaving a balance of \$57.15.

Veco grew in prominence and financial strength as Exxon's main oil-spill-cleanup contractor in 1989. Allen said he used the oil-spill profits to buy the founding Anchorage Times, which he eventually closed in 1992 (preserving the Voice of the Times as a half-page editorial section within the Daily News).

In 1994, Allen was named Alaskan of the Year, sharing that year's award with former Gov. Jay Hammond. His contracting and construction work has continued to grow, with subsidiaries working in the Lower 48 and overseas. And so have his political contributions, with some \$500,000 spent on state and federal political donations since 2004.

This year, ironically, Veco's visibility in Juneau was somewhat reduced, given the crush of oil company executives and lobbyists also working on oil tax and gas-line bills; Veco had two professional lobbyists on contract, according to disclosure forms: Paul Richards and Kris Knauss. Allen and Veco vice president Rick Smith worked out of the Baranof Hotel and usually met legislators there, according to legislators from both parties.

In its statement issued Wednesday, Veco attributed the company's economic success in part to "shrewd foresight" directed at strengthening the communities where it does business. This included nurturing pro-business and pro-development attitudes and helping enhance business sectors, Veco said.

"Veco regrets if those efforts could be construed as wrong," the company said, "especially in view of the fact that the right to participate actively in the political process is something treasured by all Americans."

(Mount Clipping in Space Below)

Successor to inherit gas deal

■ **LAME DUCK:** Plans for a special session dropped in light of primary, FBI investigation.

By **MATT VOLZ**
The Associated Press

JUNEAU — It will be up to a future governor to sign a contract for a \$25 billion North Slope natural gas pipeline to Canada, Gov. Frank Murkowski's top aide said Wednesday.

This past month saw Murkowski lose his re-election bid, BP shut down part of the Prudhoe Bay oil field and federal agents raid lawmakers' offices for their ties to an oil field services company. The effects of those events have effectively dashed Murkowski's hopes to be the governor who delivers a fiscal contract with the state's largest oil companies that leads to a gas pipeline to Canada and then Midwestern markets.

Murkowski Chief of Staff Jim Clark, Revenue Commissioner Bill Corbush and others on Murkowski's gas negotiating team met with several state senators Wednesday in Anchorage. The talk no longer centered on whether to meet in a special session this fall, but how best to prepare the past two years of pipeline negotiations for the next governor.

"We described to them that we're going to work to finish it so we have a package to hand off to the next administration,"



Gov. Frank Murkowski's chief of staff, Jim Clark, said, "Obviously, things can change, but that's essentially it."

See Back Page, **SESSION**

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/07/2006
Edition: THURSDAY

Title: SUCCESSOR TO INHERIT
GAS DEAL

Character:

or

Classification: 194A-AN-13620-M - 279
Submitting Office: Anchorage

Indexing:

FBI - Stevens-553

Continued from p. 1
Clark said. "It's important that we leave a road map as a transition for the next administration that comes in."

Clark tried to leave a little wiggle room for Murkowski to call a new session anyway. "Obviously things can change, but that's essentially it."

That road map includes responding to public comments made about the contract, which could be presented in

an interim meeting of the Senate Special Committee on Natural Gas Development at the end of September or the beginning of October.

It will also include new fiscal interest findings written by Corbus on whether the contract is in the state's best interests, plus the framework of partnership between the state and the three oil companies that would own the pipeline. That limited liability company

agreement is still being negotiated.

State Sen. Hollis French, D-Anchorage, participated in Wednesday's meeting. He said a new session would have been a bad idea in the wake of the FBI raid on six legislators' offices last week, with federal agents searching for any financial links to Veco Corp. and its executives.

"From my perspective, you just couldn't convene a Legislature under

worse circumstances," French said. "The public perception, and rightfully so, would be that we're operating under a cloud."

Murkowski, who was duck hunting Wednesday, leaves office in December after coming in last in the three-way Republican primary on Aug. 22. Republican nominee Sarah Palin is up against former Democratic Gov. Tony Knowles in the Nov. 7 general election.

After the election, Murkowski said he would call lawmakers back to the capital for another try at a revised contract, which would set financial terms for BP, Exxon Mobil Corp. and Conoco Phillips to tap into the North Slope's 35 trillion cubic feet of gas reserves.

Legislators have twice failed to pass bills related to the pipeline, many of them saying they saw major flaws with the terms of the contract.

FBI - Stevens-554

(Mount Clipping in Space Below)

Veco cash too hot to handle

■ **INVESTIGATION:** As
FBI search continues,
some shun donations.

By LISA DEMER
and KYLE HOPKINS
Anchorage Daily News

Eight days after it came into public view, an FBI investigation of Alaska state legislators and possibly corrupt ties to Veco Corp. is making lawmakers, candidates and political leaders scramble.

A few candidates for the Legislature are hurriedly distancing themselves from Veco, the oil field services and construction company that has long been a big player in Alaska politics, by returning campaign contributions.

House Speaker John Harris, R-Valdez, said he telephoned the FBI asking if the agency could at least say who's not a suspect. No one called back.

And Thursday Alaska Republican Party chairman Randy Ruedrich sent a short, unusual e-mail addressed to "All Candidates."

"If the FBI should contact you and ask to interview you, it is very important that you first call our party counsel, Bill Large," Ruedrich wrote.

Ruedrich said he simply wanted Republican candidates to know they had the right to an attorney, but Large said there's more to it.

Large said he doesn't have expertise in criminal defense work—his background is in oil and gas—so over the weekend he called lawyers from around the country who are adept in federal criminal cases.

He said he learned the government sometimes will give witnesses "a non-subject" letter that explains they are not a subject or target of the investigation.

If any Republican candidates are contacted by the FBI, Large said, he wants to make sure they know they can ask for that written assurance, that they can be represented by a lawyer, and that they don't have to talk at all. But the message isn't to keep quiet, he said, just that they

See Back Page, VECO

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/09/2006
Edition: SATURDAY

Title: VECO CASH TOO HOT TO HANDLE

Character:

or

Classification: 194A-AN-13620-M - 280

Submitting Office: Anchorage

Indexing:

FBI - Stevens-555

Continued from A-1

know their rights and options. He said he wouldn't ask legislators what they'd talk to the FBI about. He wouldn't represent them but he could help them find an attorney.

So far, the FBI has conducted searches on offices of six sitting legislators. Others have been interviewed by the FBI. Some have said they were assured they were not a target but Large doesn't know that any sought "non-subject" letters.

"I think the general perception is, you get interviewed and, oh man, why would they be talking to them unless they did something wrong," Large said.

The letter gives political protection and maybe legal protection too, Large said.

"You'll notice that lots of folks were just talking to the FBI, talking to the cops," he said. "I watch 'Law and Order.' So I'm thinking, well I don't know that's the best thing to do is or that's the right thing to do." People can get themselves in trouble even if they're not guilty, he said.

An FBI spokesman, Eric Gonzalez, said he couldn't comment on the e-mail but said generally there's no problem with someone giving advice.

So far, Large said, no one has contacted him as a result of the e-mail but one lawmaker did earlier in the week before it was sent.

State Rep. Jay Ramras, R-Fairbanks, said when the FBI asked him to come in for an interview a few days ago, he turned to Large.

"I sought some legal advice about the nature of this because it is pretty serious to be called by the FBI," Ramras said. Large told him about the non-subject letter, and Ramras asked the FBI agents for one. The FBI agents checked with the U.S. Justice Department, then told him they wouldn't issue one but didn't really need to talk to him either.

"I'm not interested in participating in something that could injure my good name."

— Rep. Jay Ramras

"I'm certain I'm a million miles away from being a subject of an investigation," Ramras said. But Ramras, who faces no opposition in November, wanted an assurance that he could show others.

Ramras said he wants no part of what he called a "McCarthyism" interview process.

"If it's just a fishing expedition, I'm not interested in participating in something that could injure my good name," he said. He said he is segregating six \$500 campaign contributions from Veco executives but hasn't decided what to do with the money.

Another Republican legislator, Rep. John Coghill of North Pole, said he was interviewed Wednesday by the FBI.

Coghill, the majority leader, said he figured the FBI will eventually question the "whole leadership." He said he didn't hesitate to sit down with the agents in the federal building in Fairbanks, but told them he'd walk out if they "tried to lead me into something." He hadn't seen Ruedrich's e-mail but thought that a non-subject letter might be helpful for some. He didn't think he needed it, though.

The FBI wanted to know if Veco had ever offered him or his wife a job, or asked him to vote a certain way or put in certain amendments, he said.

Nothing happened that was out of line, he said. Veco certainly lobbied him,

he said, but nothing that he considered "quid pro quo," nothing that went beyond a professional business relationship.

Coghill said he's not returning five \$500 contributions from Veco executives because he's done nothing wrong.

"My record's clear," he said.

"I didn't feel any pressure, except I knew what they wanted," said Coghill. "It certainly helps their access to me.

But it doesn't put me under any obligation." The new petroleum profits tax was the big issue, and he said he voted for a higher tax than Veco wanted.

Some political candidates aren't waiting around to see if anyone gets in trouble. They say they're giving back recent Veco-related donations. And there may be others in the give-back group.

Republican lieutenant governor candidate Sean Parnell returned two \$500 checks that Veco officials gave him in August, he said Wednesday when returning a call about Veco contributions.

"I'm making no judgment regarding the outcome of the current investigation," he said, but added that as a candidate, he is held by the public to a higher standard.

"I can best meet those standards of public trust and transparency by returning the contributions," he said.

On Friday, Republican House candidate Jeff Gonnason, who's running against Democrat Rep. Harry Crawford in East Anchorage, sent out a press release announcing he was giving money back too. Gonnason said he returned six \$500 checks he received from Veco officials late last year.

He said that he didn't want the donations to be a distraction in the campaign, but that no one from Veco ever contacted him or implied strings were attached to the money.

"The checks just showed up in the basket," he said.

Another Republican contender for state House in East Anchorage, Matt Moon, said he also returned six \$500 donations from Veco officials, as well as a donation from Senate President Ben Stevens, one of the six lawmakers whose offices were searched.

No one from Veco ever implied or stated that something was wanted in return for the money, he said when called by the Daily News Friday afternoon.

"My returning their campaign donations is not personal, nor is it an opinion of guilt versus innocence," he said. "But I have promised to myself and to my voters that I do not want to engage in any unethical behavior, even if it's only perceived."

Moon, running against Democrat Max Gruenberg, said the anti-incumbent sentiment he noticed among voters this year only seemed to solidify once the investigation became public.

The other legislators served with search warrants are Sen. John Cowdery, R-Anchorage; Sen. Donny Olson, D-Nome; Rep. Pete Kott, R-Eagle River; Rep. Vic Kohring, R-Wasilla; and Rep. Bruce Weyhrauch, R-Juneau.

Coghill is one of at least four other lawmakers who have been interviewed by the FBI.

The investigation "clouds and muddies the water for those who are running for office," said Harris, the House speaker. He wanted the FBI to clear the names of those who aren't implicated. Otherwise, he said, "the public thinks everyone is guilty."

He hasn't been interviewed but said he'd "absolutely" talk to the FBI.

"To me, if you didn't say anything, if you kept your mouth shut, that's probably worse than talking," Harris said.

■ Daily News reporter Lisa Demer can be reached at ldemer@adn.com or 257-4390. Reporter Kyle Hopkins can be reached at khopkins@adn.com or 257-4334.

(Mount Clipping in Space Below)

(Indicate page, name of J-2
newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/10/2006
Edition: SUNDAYTitle: THAT FLUSHING SOUND
IS VECO INFLUENCE

Character:

or

Classification: 194A-AN-13620-M
Submitting Office: Anchorage

Indexing:

That flushing sound is Veco influence

Republican Party chairman Randy Ruedrich responded to the FBI raid on Veco and the Legislature by telling the ADN, "Jumping to conclusions is totally inappropriate."

Randy, baby, here's a conclusion I'm leaping to right here in print: You're finished in Alaska politics — and so are your pals at Veco, including Bill Allen.

The Republican Party won't be able to stand the stench coming from Veco headquarters. The smell already has reached Seattle where Republican Senate candidate Mike McGavick returned the \$14,000 Veco raised for him.

That ripping sound you hear in the background is Alaska's Republican elite tearing up invitations to Veco fundraisers.

For the rest of this election cycle, Randy, you and your Republican friends are going to play a little game of "Survivor" — and you and Allen will be the first players tossed off the island.

I know, somewhere in this column it is necessary to make the obligatory concession: Nobody has been arrested, nobody has been convicted, nobody has gone to jail.

But we don't have to wait until the FBI has the Corrupt Bastards Club perform the perp walk in orange suits before commenting on Veco's influence in the Legislature.

Everybody in the capitol building knew Veco's money bought the company exceptional access to lawmakers. Everybody in the building knew many lawmakers, mostly Republicans, were inordinately dependent on Veco dollars for their campaigns. Everybody in the building knew Veco wanted to make the state lobby

**MICHAEL
CAREY**

COMMENT



bying laws less restrictive so corporate officials could report less of their activities. And succeeded when subservient lawmakers passed a measure known as "the Bill Allen bill."

I watched part of the process that produced the Allen bill and saw something I had never seen in more than 30 years of first-hand experience with the Legislature.

Ralph Seekins of Fairbanks, chairman of Senate Judiciary, conducted a committee hearing on the bill. The committee was gathering information. Not much transpired during the afternoon.

A couple hours after the hearing, I was in the bar of the Baranof Hotel, waiting for a friend. Seekins, Bill Allen and several men I didn't know sat down at a nearby table. They began talking about the hearing and began laughing. Laughing at the hearing. Laughing at the lobbying law.

Where does such arrogance and indifference to watching eyes come from?

It is well known — we have all had the experience — that while we go through life observing others, we like to pretend others are not observing us, our behavior does not give away our real intentions.

It never occurred to them anyone would see them for who they are — let alone the FBI — and they never saw themselves for who they are. Self-awareness was beyond their grasp.

Bill Allen, Veco and their legislative allies became so powerful in Juneau, so influential in the Capitol, they not only aspired to omnipotence but invisibility.

It never occurred to them anyone would see them for who they are — let alone the FBI — and they never saw themselves for who they are. Self-awareness was beyond their grasp.

The same thing with those lawmakers who called themselves the Corrupt Bastards Club — and probably gave the name to a book that will be written about this scandal. These blockheads thought they could have a laugh over allegations that they were in Veco's pocket. Who would notice and have the power to call them to account?

For years, our friends in Juneau have insisted they are tough on crime — just throw another pot smoker in jail and we'll all be safer. Well, we're about to find out what happens to those who get stoned on arrogance and suffer the illusion — as those loaded often do — their behavior will be neither noticed nor questioned.

■ Michael Carey is the former editorial page editor of the Anchorage Daily News. He can be reached at mcarey@adn.com.

FBI - Stevens-558

(Mount Clipping in Space Below)

OUR VIEW

It's up to the voters

*Big money taints politics
because Alaskans let it happen*

Alaskans can only speculate what the FBI knows and what it is looking for in its probe of oil field services and construction company Veco Corp. Federal agents aren't talking about their search warrants, about any possible civil or criminal charges, or about what led them to undertake such a coordinated investigation into Veco's financial dealings with Alaska legislators.

But that shouldn't stop the public — and legislators — from admitting the obvious: Big-money contributors have too big a role in Alaska politics. It taints the entire legislative process and undermines the credibility of public officials.

This is the year to demand that our elected officials start repairing the damage. What better time than an election to push for change. And those who refuse to help should lose their election in November.

Not convinced there are problems? Look at just a few examples.

The four Veco executives named in the FBI warrants contributed almost \$1 million to state and federal campaigns nationwide over the past decade — all on behalf of candidates favorable to the company's agenda. Almost a

*Our elected
officials
should start
repairing
the
damage.*

quarter-million dollars went to state races in Alaska between 2004 and last month's primary election. More than \$80,000 went to Republican legislative candidates or the Alaska Republican Party this year alone.

With so much at stake in oil and gas legislation, no wonder Veco executives are so quick to spend the money they earn at the office. And with big money like that floating around, no wonder the public is cyni-

cal and skeptical, even if the contributions are legal.

Meanwhile, Veco has been paying legislators for consulting work, the most notable being Senate President Ben Stevens. The Anchorage Republican, who is not seeking re-election this year, has received \$252,000 from the company for consulting work since 2001. But the senator refuses to say what he did for the money, and the law doesn't require him to do so. Hiding behind the law may be a good legal defense but it's lousy public policy.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/10/2006
Edition: SUNDAY

Title: OUR VIEW: IT'S UP TO
THE VOTERS

Character:
or

Classification: 194A-AN-13620-M
Submitting Office: Anchorage

Indexing:

And, separate from Veco, there is Gregg Renkes, who while attorney general to Gov. Frank Murkowski negotiated a coal deal involving the state and a company in which Mr. Renkes owned more than \$100,000 of stock. The attorney general resigned in 2005, after enduring months of criticism for ignoring the serious conflict of interest between his state job and his personal finances.

Solutions to these last two problems have been before legislators for the past couple of years, with no progress. It's time to act.

The Legislature should pass a law that requires all lawmakers to provide details of how they earn money in their off-hours. Simply listing the magic word "consultant" is not enough; the public deserves to know what legislators do, the issues they work on and how they are paid.

Next, legislators should adopt a specific limit on how much financial interest a public official may hold in a company involved in a state issue or contract. Existing law sets no dollar limit. Legislators need to fix that ethical hole in the levee immediately after getting back to work in January.

Until then, the public should demand of every legislative candidate a pledge to pass a tight dollar limit on conflicts of interest and full disclosure of legislators' outside earnings. They should demand that every candidate for governor promise to sign such legislation.

As for whether big donors have too much of a role in Alaska politics: Campaign money buys access and influence. It often puts donors ahead of the public. At least the law requires full disclosure of contributors. That way, voters can choose the best candidates by the company they keep.

BOTTOM LINE: Alaska can clean up its act, if voters are willing to demand it.

194A-AN-13620-PROD

(Mount Clipping in Space Below)

ADN 9/12/06

FBI case managed from D.C.

■ **EXCLUDED:** Investigations of officials often
recuse a local area's U.S. attorney's office.

By RICHARD MAUER
Anchorage Daily News

WASHINGTON — The federal investigation that erupted with fury 10 days ago with searches of a half-dozen Alaska legislative offices is being managed independent of the Alaska U.S. Attorney's office, a U.S. Justice Department official said Monday.

"The whole office is recused," Justice Department spokesman Bryan Sierra said.

Instead, the wide-ranging investigation is being overseen by attorneys from the Justice Department's Public Integrity Section in Washington, D.C., Sierra said.

The Public Integrity Section has about 25 attorneys, a team that often lives out of suitcases in pursuit of corruption cases as far away as Guam. They've prosecuted petty thefts by sheriff's deputies, the massive frauds of Enron and the high-profile corruption case of Jack Abramoff.

Sierra wouldn't say why the Alaska office wasn't allowed to participate in the case or how many lawyers from Washington were assigned to it. But the case is even off-limits to Nelson Cohen, the new U.S. Attorney for Alaska who just arrived last month from Pittsburgh, he said.

194A-AN-13620-Press
See Back Page FBI

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/12/2006
Edition: TUESDAY

Title: FBI CASE MANAGED FROM D.C.

Character:

or

Classification: 194A-AN-13620-M - 283
Submitting Office: Anchorage

Indexing:

FBI - Stevens-560

FBI: Integrity Section investigated Abramoff, Enron

Continued from A-1

Sierra said it's not unusual that the local U.S. Attorney's office will refuse itself from a sensitive corruption case and wall off its legal, public relations and even clerical staffs from the investigation and prosecutions. Sometimes one or two assistant U.S. attorneys might still be assigned to work with the Public Integrity attorneys, but Sierra said he didn't know if that was the case in Alaska.

FBI agents from Alaska are lead investigators, working the case alongside the prosecutors from the Public Integrity Section, said Eric Gonzalez, spokesman for the FBI in Alaska.

The investigation is being run out of the FBI building on East Sixth Avenue in downtown Anchorage.

If it's anything like the Enron case, Sierra said, the investigation has taken over a sizeable chunk of the FBI building.

Dozens of extra FBI agents were brought in from Outside to execute about two dozen search warrants when the first raids started at legislative offices and elsewhere Aug. 31. After the initial round of searches and interviews, the Outside agents



■ **FOR LINKS** to the FBI Anchorage office and Department of Justice Integrity Section, go to

www.adn.com/veco

were sent home, Gonzalez said.

Authorities won't release any particulars, including how many FBI agents remain on the case, Gonzalez said. Other agencies also are involved, including the IRS.

While officials say little, the warrants target the relationships between legislators and the oil field service and construction company, Veco. The company, which has long been generous with campaign donations at the state and federal levels and lobbying in Juneau, has gone so far as to hire sitting legislators, including Senate President Ben Stevens, R-Anchorage, the son of Alaska's powerful U.S. senator, Ted Stevens.

In disclosures he was required to file as a legislator, Ben Stevens has reported that Veco paid him \$252,000 over the last five years to serve as

a consultant, including \$37,000 in 2005. Neither Stevens nor Veco has described what he did for the money. Stevens is one of six lawmakers whose offices were searched Aug. 31.

Perhaps a year ago, the FBI began collecting campaign and other publicly available financial disclosure records on selected legislators, said Brooke Miles, executive director of the Alaska Public Offices Commission. As she remembers it, agents then came back at the beginning of this year for campaign reports and financial disclosure records on all legislators.

Created in 1976, the Public Integrity Section has a number of jurisdictions. It investigates election fraud, misconduct by federal judges and corruption of elected officials.

U.S. Attorney offices prosecute corruption cases, too. The Alaska office prosecuted a dozen officials, lobbyists and businessmen in a massive kickback scandal in the North Slope Borough in the 1980s.

But the position of U.S. attorney is a political appointment headquartered in a local jurisdiction, so the Justice Department will sometimes

assume control over cases involving powerful local figures.

"Public corruption cases tend to raise unique problems of public perception that are generally absent in more routine criminal cases," the Public Integrity Section wrote in its 2004 report to Congress, explaining why U.S. Attorney's offices are sometimes recused.

"An investigation of alleged corruption by a government official, whether at the federal, state or local level, or someone associated with such officials, always has the potential to be high-profile, simply because its focus is on the conduct of a public official. In addition, these cases are often politically sensitive, because their ultimate targets tend to be politicians or government officials appointed by politicians. A successful public corruption prosecution requires both the appearance and the reality of fairness and impartiality."

■ Daily News reporter Richard Mauer can be reached at mauer@adn.com or 1-202-383-0007. Daily News reporter Lisa Demer contributed to this story.



Look in the **classified** section of the newspaper daily for the fuel pumps with your birthday and the entry form.

Anchorage Daily News: Alaska's Newspaper

[Search](#) [Archives](#) »

[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [shopping](#) [alaska.com](#) [archives](#) [help](#)

news
entertainment
life
money
obituaries
opinion
outdoors
sports
weather
shopping
jobs
cars
homes
rentals
deals
ads from print
alaska.com
rss feeds
adn store
adnmail
crossword puzzle
archives
help

More on money

Posted: September 12, 2006 - 8:42 pm

Daily News reporter Lisa Demer talked to Senate hopeful Earl Mayo today about Veco, but first, it's probably worth getting on the record that David Dittman says he hasn't heard a thing from the FBI.

He was actually kind of hoping to be questioned, to see what they were interested in, he said. "Then someone said, 'Oh no you don't.'"

Anyway, back to Mayo. Lisa writes:

Earl Mayo, the How How restaurant owner and Republican who is running for the open Senate seat in East Anchorage, on Tuesday became the latest candidate to announce he doesn't want Veco money. He said he returned six, \$500 checks in contributions from Veco executives last week.

"I am not saying they have done anything wrong at all," Mayo said. No one from Veco ever approached him about wanting anything. But "if there is any impropriety in it, we don't want it." He said he was following the advice of his campaign consultants, Marc and Jean Hellenenthal.

The FBI is investigating Veco Corp. and its possibly corrupt relationships with lawmakers. Mayo said the FBI questioned him but he didn't want to discuss what agents talked with him about and said he didn't know anything anyway.

"As far as I know, I'm not suspected of anything. I am not in power. I am not in a position to give favors," Mayo said. Even if he beats Democrat Bill Wielechowski in November and becomes a senator, he won't be one to cater to special interests, he said. "I am 75 and I'm not going to change."

On Sept. 5, we reported that Hellenenthal was among the people interviewed by the FBI.

Darwin Peterson today said he hasn't been contacted by investigators.

The Trail

A blog on the 2006 Alaska governor's race



Kyle Hopkins

About the blog: The race to become Alaska's next governor is on and it's about to get muddy. Grab your boots and follow the Daily News along the winding campaign trail.

Contact: thetrail@adn.com

ARCHIVE

Abortion letter - 9/19/2006 12:31 pm
Not today - 9/19/2006 12:30 pm
Baloney patrol - 9/18/2006 6:42 pm
F-bomb (UPDATED, Palin response) - 9/15/2006 6:15 pm
Not so fast - 9/15/2006 6:13 pm
Petroleum Club - 9/14/2006 8:40 pm
New lineup - 9/14/2006 5:51



FBI - Stevens-562

If you read the post that includes his e-mail and letter to Bill Allen -- his comments are similar to Matt Moon's quotes about why he returned Veco money.

Why is that? Peterson said Hellenthal is a political consultant for them both.

[add new comment](#)

Palin and Veco

Sarah Palin got thousands of dollars in Veco contributions the last time she ran. Tony Knowles did not. Enough said.

new alaskastraighttalker | September 14, 2006 - 12:27pm

[reply »](#)

Coming to a blog near you by Mike Doogan

Until May 1994, Knowles was just another liberal Democrat with ambitions. Then -- in an essay in the Voice of the Times, owned by Veco chairman Bill Allen -- Knowles sided with the oil industry in a tax fight with the state. Soon after taking the oath of office, he made a tour of oil capitals, accompanied by Allen.

During Knowles' first legislative session, he pushed through a bill that allowed oil companies to pay less for leases, a benefit for BP. This session, he's pushing a deal that would lower BP's payments on Northstar.

In 1995, almost all of the \$45,000 that Arco, Veco and BP gave to the Democratic Party was paid at the time of Knowles' inauguration, a midsummer fishing trip fund-raiser for Knowles, or a December fund-raiser for a fund that Knowles uses to pay personal and political expenses. Last year was the first time in the 1990s that any of the companies gave more money to the Democratic Party than to the Republican Party. That company was BP.

What is the relationship between all Knowles' effort and all the companies' money?

"For too long, Alaska Republicans have managed to extract the majority of campaign dollars from the oil industry," said Bob Kling, Knowles' press secretary. "Alaska's political chemistry changed last year when Democrats led the way in keeping the industry healthy. Hopefully, voters will also appreciate what the industry has come to know when election time comes around."

From the companies' point of view, the campaign contributions are good investments. If you were BP, wouldn't you invest \$350,000 if what you got in return was \$100 million? When you're dealing in those sorts of numbers, even Arco's \$750,000 seems like chump change.

But not to the politicians. To them, it's a lot of money. That's one reason legislative Republicans are trying to pass their bill and block Knowles' bill, and vice versa. Each side wants the credit. Of course, they've got the perfect compromise. Pass both bills. That way the companies get everything they want. And the money keeps flowing.

<http://www.adn.com/legislature/opinions/doogan/story/2460663p-2508547c.html>

Doogan was always a talkative kinda guy.....

How far back can the FBI investigate?

new tlamb99503 | September 14, 2006 - 11:04am

[reply »](#)

pm

Tea leaves - 9/13/2006 6:34 pm.

Mat-Su mega-prison - 9/13/2006 11:36 am

More on money - 9/12/2006 8:42 pm

"Moses" - 9/11/2006 1:30 pm

Well hello... (UPDATED) - 9/11/2006 11:01 am

Another Veco return - 9/9/2006 8:05 pm

Their sources must be better than mine - 9/9/2006 2:47 pm

Today was a print edition day - 9/8/2006 9:33 pm

So ... - 9/7/2006 7:57 pm

Parnell - 9/6/2006 4:51 pm

(UPDATED: Read the search warrant) - 9/6/2006 4:16 pm

It was only a matter of time - 9/5/2006 8:20 pm

Pay back - 9/5/2006 2:10 pm
full archive »

[Ads by Google](#)

Free Flight to Alaska
Earn a Free Round Trip Flight to Alaska by Completing Our Survey!
usatravel-specials.com

Top Anchorage Fishing
Watch Videos, Photos, Read Reviews Honest Advice From Alaska Insiders!
www.Alaska.org

Alaska Real Estate Expert
Coldwell Banker Fortune resale, new homes, military, and relocation
www.WeSellAlaska.com

Five Star Entertainment
Weddings, Dances, Parties Alaska's Preferred Disc Jockeys!
www.fivestarakaska.com

[Advertise on this site](#)

FBI - Stevens-563

liberal democrats

don't get elected in States like Alaska. Veco gave \$45,000 to the democratic party? That figure seems awfully high, especially since democrats are and have always been ever since I could remember, the minority party. How much did Veco give to the republican party? I'm curious. You refer back to a time when oil was \$9 a barrel. What other companies benefited from the bill you say Knowles "pushed through?" Not just BP. If companies pay less for a lease doesn't that create an incentive for them to develop? Was there a better way back then?

new opal | September 14, 2006 - 10:33pm

reply »

follow the money

the reason they gave it to the democratic party was because VECO had limited out on individual contributions to Tony and they needed the party to launder the money. You can give up to \$25k to the party and they can then funnel it to the candidate for governor up to \$200k. What did VECO get for their money? truthseeker will have to go on the net and see what she can find. Haven't looked up the new law just passed by initiative but I believe it reduces the amount you can give to the party and that the party can give to the candidates. That law will not take effect until after the general election but it is a good thing.

new truthseeker | September 15, 2006 - 8:59am

reply »

correction

In 1998 and in 2006 companies were not allowed to give money to candidates or the Democratic Party. I believe the rule then and I know the rule now is that the contribution level to parties is \$10K per individual. My recollection from 1998 (my memory isn't 100%) is that the TK/FU campaign got far less than \$200K from the Party. In fact it was probably \$50K or less.

thanks.

new leslie | September 15, 2006 - 10:50pm

reply »

You seem to have it all figured out

Not! Veco needed the democratic party to launder the money for Knowles??? Are you listening to what you are saying? The FBI would have showed up a long time ago if there were any truth to what you are suggesting. Veco doesn't support Knowles. You obviously didn't you read the Veco Times editorials bashing him over, and over, and over again when he ran for Senate...Veco hates him because he supports Labor Unions, PLA's and is against Right to Work legislation.

new opal | September 15, 2006 - 6:15pm

FBI - Stevens-564

reply »

And to this I would say

There was approximately one vitriolic VOT editorial per week against Tony Knowles in 2004. Combined with the 2003 attacks, it probably added up to over 70 editorials. That's no way to treat someone you "support."

new leslie | September 15, 2006 - 10:53pm

reply »

That was then, this is now...

Check out this fundraiser:

<http://republicanmoderate.blogspot.com/2006/09/look-how-fast-dirty-money-finds-new.html>

new marty2 | September 16, 2006 - 4:58am

reply »

Bill Allen Knows 1000's of People

That makes them all suspect? Please. Even I know Bill Allen. And believe me, I'm not going to prison soon. At least not for that.

new akpoliticalanimal | September 16, 2006 - 6:51am

reply »

A closed primary vent

I know this is off topic and you probably discussed this way back at the time of the primary, but just wanted to get it off my chest. The closed primary isn't making sense to me and just seems wrong. I had to choose the non-R ballot to vote for my representative, but my first choice for Governor wasn't on the ballot I had to use. I understand why the R's pushed the issue and I think it has even withstood legal challenge - but it still ain't right. I won't vote down some party line - I want the best person in office and that has little to do with party affiliation in my book.

new rkniaziowski | September 13, 2006 - 1:54pm

reply »

To solve your problem,

To solve your problem, perhaps there shouldn't be a 'primary'. The primary is designed to allow each of Alaska's political parties, i.e. Ds Rs, RMS, AIPs, Gs, etc. to designate their Party's candidate for office. Having you vote in a party's primary without being a member is like having Joe Torre of the Yankees decide the starting lineup for the visiting Red Sox.

new akjack | September 14, 2006 - 12:03pm

reply »

Less is good

One good thing about all the VECO money being returned is that there will be less money for political advertising. Yeah!!!

By the way...full disclosure. I was on the VECO payroll for about 2 months during the Exxon Valdez oil spill cleanup. Was anyone else on the beach crew in Chignik that summer?

new marty2 | September 12, 2006 - 10:24pm

reply »

FBI - Stevens-565

(Mount Clipping in Space Below)

ADN 9/12/06

Sponsors file petition

for gaming commission vote

By MATT VOLZ
The Associated Press

JUNEAU — The sponsor of a plan to create an Alaska gaming commission says he turned in enough signatures to the Division of Elections on Monday to place an initiative on the 2008 ballot.

Darwin Biwer, who owns the Anchorage bar Darwin's Theory and leads a group called Alaskans for Gaming Reform, said he delivered 50,405 signatures to the division.

"It took a year and \$100,000, but we jumped through all the hoops," he said.

The initiative would create a commission to regulate gaming in

Alaska. Gaming is now overseen by the Department of Revenue and involves nearly two dozen games of chance and contests of skill from ice classics to bingo and pull-tabs.

The commission would be able to expand gambling in the state, although Biwer said that is not his aim.

"This is Alaskans for Gaming Reform, not Alaskans for Gaming Casinos," he said. "The gaming commission would have the authority to administer, monitor, authorize and enforce all gaming activities. Right now, there is no enforcement."

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/12/2006
Edition: TUESDAY

Title: SPONSORS FILE PETITION FOR
GAMING COMMISSION VOTE

Character:
or

Classification: 194A-AN-13620-M - 285
Submitting Office: Anchorage

Indexing:

FBI - Stevens-566

GAMING: 2008 ballot initiative goal

Continued from B-1

Earlier this year, a legislative task force made up of lawmakers and state residents recommended against establishing a gaming commission. Among the reasons cited by the task force members was that it would present an opportunity to expand gambling in Alaska and that problems with the industry could be addressed through changes in laws and regulations.

The head of the task force, Rep. Tom Anderson, R-Anchorage, disagreed with the decision. He wrote in a March 30 letter accompanying the report that "pervasive fallacies exist about the status and future of gaming in Alaska" and endorsing a new commission does not equal an endorsement of gaming.

Biwer said he was not put off by the task force's recommendations. The Legislature will have two

sessions to pass a bill similar to his initiative if lawmakers want to keep it off the ballot, he said.

To be placed on the 2008 primary election ballot, the petition had to receive 31,451 signatures from voters, or 10 percent of the turnout of the last election.

Plus, the signatures had to come from three-quarters of the state's 40 House districts instead of two-thirds. Within each of those districts, petitioners must gather signatures from at least 7 percent of those who voted in the last election for that district to count in the total.

Biwer had a deadline of Monday to turn in the signatures.

Kelly Cyrus, the division's elections administration supervisor, said division officials will review and verify the signatures within the required 60 days.

(Mount Clipping in Space Below)

Moses says Veco didn't buy his vote

■ **DONATION:** The ailing Democratic legislator, whose campaign got \$3,000, broke an impasse.

By **MATT VOLZ**
The Associated Press

JUNEAU — Days before an ailing Rep. Carl Moses flew from Anchorage to cast the deciding vote on a contentious oil and gas tax bill last month, six Veco Corp. executives contributed \$3,000 to the Unalaska Democrat's campaign.

Four of the six executives have been linked to an FBI investigation that resulted in raids of six legislators' offices Aug. 31.

Moses, contacted Monday in Unalaska, denies that the Veco campaign contributions had anything to do with his vote and said his name has not previously been connected with the FBI raids.

"Don't worry; I'm squeaky clean," Moses said. "I don't accept contributions on that basis."



Moses

ANU 9/12/06

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/12/2006
Edition: TUESDAY

Title: MOSES SAYS VECO DIDN'T
BUY HIS VOTE

Character:
or

Classification: 194A-AN-13620-M
Submitting Office: Anchorage

- 286

Indexing:

FBI - Stevens-568

MOSES: Tax bill seemed doomed

Continued from A-1

One of the 20 search warrants executed in the FBI raids links the investigation to the tax bill passed last month by the Legislature and the draft natural gas pipeline contract proposed by Gov. Frank Murkowski and BP, Exxon Mobil Corp. and Conoco Phillips.

The warrant called for seizure of documents concerning any payment, contracts, agreements, gifts or employment provided by Veco or company executives Bill Allen, Rick Smith, Peter Leathard and Roger Chan.

Moses said Monday that he has not talked to or been contacted by the FBI.

On Aug. 2, Allen, Smith, Leathard, Chan and Veco personnel manager James Slack each contributed \$500 to Moses' campaign, according to Alaska Public Office Commission records. Then, on Aug. 7, Thomas Corkran, Veco's chief information officer, donated \$500 more.

Veco, an oil field service company and a major political player in Alaska, typically supports Republican candidates. The contributions to Moses are among the only donations company executives have given to a Democrat this election year.

Moses faced his stiffest competition in years in a primary election that still hasn't been decided. The outcome of the race between him and Bryce Edwards is still too close to call and appears headed toward a mandatory recount by the Division of Elections.

Veco and Allen, the company's chief executive, supported the net-profit production tax plan proposed by Murkowski, but it faced major opposition in the House of Representatives. Twice before, the tax plan had been rejected. Some lawmakers disliked the structure of a tax based on company profits, some thought the tax rate was too low and others thought it was too high.

On Aug. 10, the bill seemed doomed again. It was the final day of the second special session, when the House failed by a single vote to gather the 21 votes needed to pass the measure. The only legislator missing was Moses, who was recuperating in Anchorage from a pinched nerve.

A lengthy recess was called while Moses boarded a plane and flew to Juneau.

The state paid for the flight, Moses said. He said Sen. Lyman Hoffman — a Democrat who represents the same area — called and asked him to come down for the vote.

That night, the House reconvened and passed the bill. The final vote was 26-14, with several legislators changing to yes votes after realizing the matter had been decided.

Moses said he had a big stake in that vote: funding for a new school in New Stuyahok and millions in power-cost-equalization fund money were tied to passage of the production tax bill.

With the exception of Rep. Richard Foster, D-Nome, all members of the Democrat-heavy House Bush caucus voted for the measure, with the rural fuel cost subsidy a major incentive.

Moses said he does not plan to return the Veco executives' campaign contributions, as some other candidates have already done.

"I don't have a guilty conscience," he said.

Moses said he thinks he received the checks in the mail and said he doesn't recall what prompted the donations. "They were just offered to us," he said.

Meanwhile, a retiring legislator who received tens of thousands of dollars in consulting fees from Veco has not responded to reporters' inquiries about those fees for nearly two weeks.

Rep. Tom Anderson, R-Anchorage, received \$30,000 in consulting fees from Veco between 2003 and 2005, according to APOC filings.

Anderson and Senate president Ben Stevens, R-Anchorage, are the only two legislators to report consulting fees from Veco in that time.

Stevens, the son of U.S. Sen. Ted Stevens, has reported making \$252,000 from the company since 2001, including \$57,000 last year.

Stevens' office was one of the six raided; Anderson's was not.

A review of Anderson's financial disclosures filed with APOC shows that Anderson was paid consulting fees on three occasions by Veco totaling \$30,000: "election/proposition research," "consultation on Russian business endeavor" and "consulting on community council and government affairs."

Legislators are not required to detail the work they do for their consulting fees.

Anderson's wife, Republican Rep. Lesil McGuire of Anchorage, is running for the Senate seat Stevens is vacating.

Anderson has not returned messages left by phone and e-mail since the raids took place. A legislative aide to McGuire said Monday that McGuire and Anderson were on vacation out of state and could not be reached for comment. Stevens also has not returned repeated calls.

Department of Justice spokesman Bryan Sierra said he could neither confirm nor deny that Anderson and Moses are part of the FBI investigation.

"We're not confirming any details of the investigation at this point," Sierra said.

Veco has largely been silent on the investigation. The company's only public statement came last week in a press release denying that the company had participated in anything improper or illegal.

■ Daily News reporter Kyle Hopkins contributed to this story.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

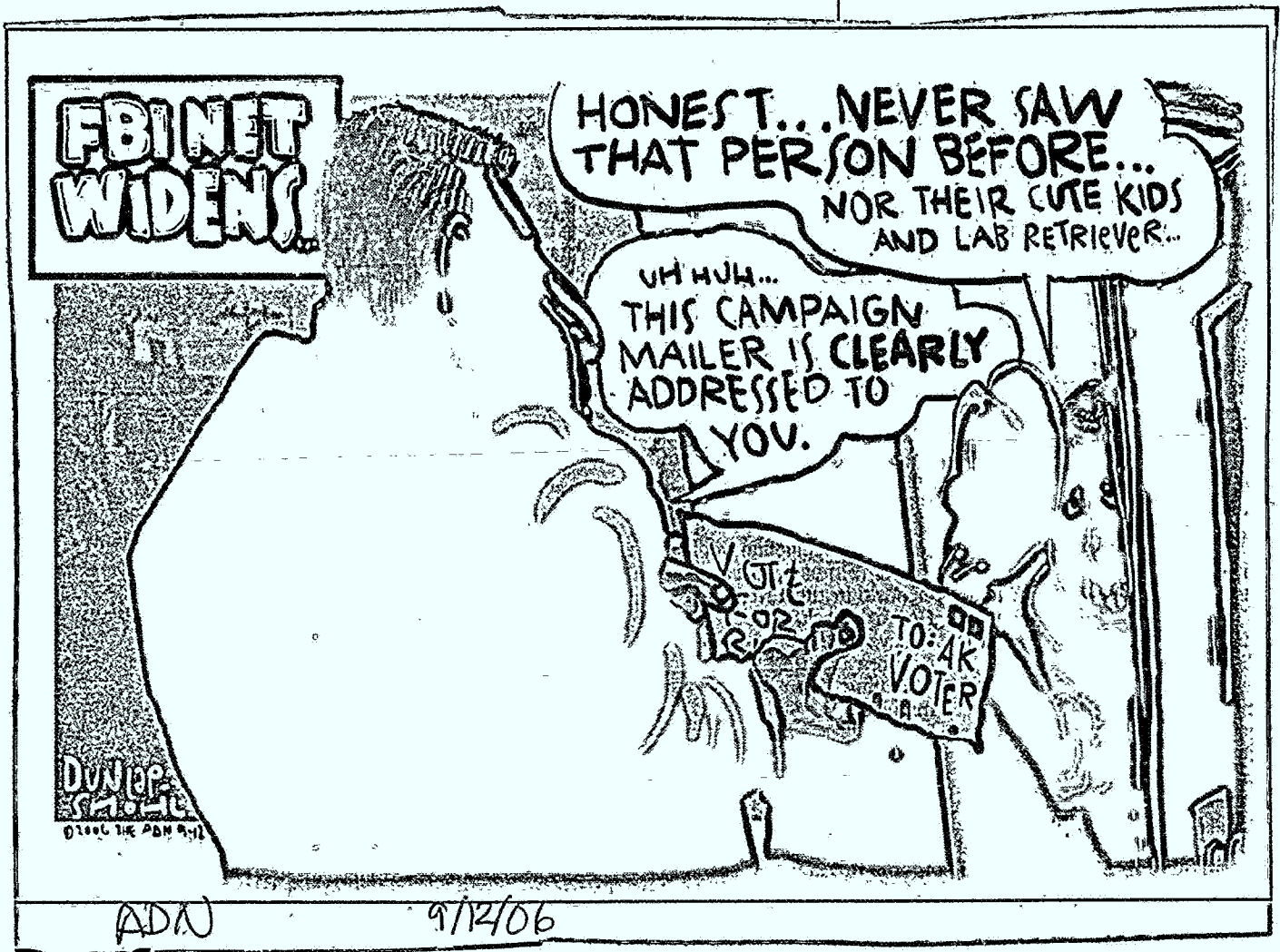
Date: 09/12/2006
Edition: TUESDAY

Title: FBI NET WIDENS

Character:

or
Classification: 194A-AN-13620-M - 287
Submitting Office: Anchorage

Indexing:



FBI - Stevens-570

(Mount Clipping in Space Below)

OUR VIEW

Campaign disclosure

Alaskans have right to know who's influencing reserves tax vote

Alaska's Future is exploiting a weakness in state campaign disclosure laws as it fights the natural gas reserves tax on the Nov. 7 ballot. The group has spent at least \$33,853 urging voters to defeat the tax but says it doesn't have to follow disclosure rules that normally apply to groups fighting a ballot measure. The group says it can keep its donor list secret and not report details on its expenses because it is not a group whose "major purpose" is securing or defeating a ballot initiative.

That means Alaska's Future is so well-heeled that its \$33,000 expense is not "major." It means Alaska's Future is such a busy organization that its anti-reserves tax advocacy is just one of many activities. It means that prior to spending the \$33,000, Alaska's Future had hundreds of thousands of dollars in other money spent on other purposes.

It means no one from the group went out and solicited money, saying, "Give it to us and we'll use it to fight the reserves tax initiative." It means no one gave money with the understanding it would be used to fight the tax. It means a BP official misspoke when he told a reporter the company had given money to Alaska's Future to fight the initiative.

To claim the campaign disclosure exemption, the people running Alaska's Future must have complete discretion about whether to spend any donation on fighting the reserves tax. It means everyone who gave to the group would have been content if Alaska's Future didn't utter a peep about the reserves tax vote, but used it to, say, urge development of the Pebble mine or ANWR or the gas line.

Alaska's Future may be what it claims to be — a group of young Alaskans who raise lots of money to promote a pro-industry view on oil, gas and other development issues.

There may be a good explanation why half its board of directors are members of a Washington, D.C., law and lobbying firm whose clients include major oil companies.

There may be a good explanation for why the group's routine business is handled by a prominent Alaska Republican political consultant.

There may be a good explanation why the group's official office location in Anchorage never seems to be used.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/20/2006
Edition: WEDNESDAY

Title: OUR VIEW: CAMPAIGN DISCLOSURE

Character:

or

Classification: 194A-AN-13620-M

Submitting Office: Anchorage

-288

Indexing:

It may be mere coincidence that the group was founded just six weeks after Alaska's lieutenant governor cleared the reserves tax proponents to begin collecting signatures.

The two legislators sponsoring the tax initiative want the Alaska Public Offices Commission to demand full disclosure from Alaska's Future. Reps. Eric Croft and Harry Crawford will appear before the commission Thursday to make their case. The circumstantial evidence they offer is strong, but there is no smoking gun — yet. Confirming their suspicions would require the commission take a detailed look at Alaska's Future's financial records and advocacy materials.

That kind of scrutiny into a political group's operations is invasive, but Alaska voters have the right to know who is trying to influence their decisions at the ballot box.

If Alaska's Future wants to protect the privacy of its other activities, it has two choices: It can fess up and voluntarily disclose its ballot-related contributions and expenditures. Or it can create a separate group solely to fight the ballot measure, reporting all donations and expenses. That's what the Alaska Oil and Gas Association is doing, according to Brooke Miles, director of the public offices commission.

Creating an advocacy group, with full disclosure, is clean; it's simple; and it upholds Alaska's voters' right to know who is trying to influence them. It's the right way to go.

BOTTOM LINE: Fight the tax? OK, but fill out the disclosure forms.

194A-AN-13620-M-288

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/20/2006
Edition: WEDNESDAYTitle: NEW ETHICS LAW OPENS DOOR
TO VIOLATIONS

Character:

or

Classification: 194A-AN-13620-M
Submitting Office: Anchorage

Indexing:

COMPASS: *Points of view from the community*

New ethics law opens door to violations

By ALLAN TESCHE

For six years, the city's ethics board has been working on a new law governing conflicts of interest among elected officials, members of city boards and municipal employees. While some improvements have been made by assembly counsel, the draft now before the Anchorage Assembly raises too many unanswered questions and still needs work. Here's my list of issues that need to be resolved before the new ethics code becomes law.

- Even if a member has a "substantial financial interest" in a matter before the Assembly or School Board, the new ethics code allows the member to vote if the body finds that action "in the public interest." This lower standard for public accountability opens the door to backroom deals between lawmakers who may place their own interests above the public interest in official actions.

- "Consulting contracts" with elected officials are not addressed. State legislators made huge sums in recent years by "consulting" with private firms that are regulated by or have business before state and local governments. Even though these interests were disclosed in the cases of two state senators, the public needs to discuss and decide if these same activities by local officials should be allowed in Anchorage as well.

- Officials can represent private interests before municipal staff. Curiously, the new code omits an existing provision which bars elected officials from representing private clients before municipal agencies and employees. This new loophole should be plugged before it is discovered by lawyers on the Assembly.

- How much evidence is enough to sustain a violation? The new code says the



The new code omits an existing provision which bars elected officials from representing private clients before municipal agencies and employees. This new loophole should be plugged.

board may find a violation, impose a reprimand or recommend more serious sanction if it finds "substantial evidence" to support that violation. Although the term is not defined in the new law, "substantial evidence" to lawyers means only "some" evidence to sustain a violation but not evidence "beyond a reasonable doubt" used in criminal cases, or "by a preponderance of evidence" used in civil cases. The civil standard should apply here.

- Are Board of Ethics "investigations" really fair? The new ethics law makes no guarantee that persons investigated by the board may present witnesses on their own behalf. Moreover, the right of cross-examination is not allowed in board hearings. Constitutionally guaranteed due process may be lacking in board investigations.

- What role does the Assembly or School Board play once the board has upheld a complaint? The new code is unclear as to whether the board's "finding" of a violation is binding on the Assembly, School Board or administration or if a second hearing must be held before sanctions, including fines, are levied.

- What about the common law? Prior court decisions form the "common law" which, along with the constitution and statutory law comprises all of the law governing public ethics. The new code does not an-

swer the question as to whether common law principles governing ethics will survive enactment of the new code.

- Should the Board of Ethics police the Assembly and School Board on open meetings? The new code carries over existing laws which empower the Board of Ethics to hear and remedy complaints against the Assembly and School Board over the open meetings law. The amended state law contains detailed provisions governing remedies; the question naturally arises as to whether the public is better protected if the Board of Ethics can get into the act. Does the board have any special expertise in that law?

Assembly Vice Chair Debbie Ossian-der promises a new draft of the ethics ordinance on Friday and that it will be heard by the Assembly on Oct. 14. Let's hope these questions are answered in the newest draft and that Assembly members hear directly from the public on the ethics code. The code is not written for the convenience of elected or appointed officials; instead it represents the community's expectations in how the public's business is to be conducted by those we call to serve.

■ Allan Tesche represents the downtown area on the Anchorage Assembly.

194A-AN-13620-P

FBI - Stevens-572

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/20/2006
Edition: WEDNESDAYTitle: FBI RAID OF OUR LAWMAKERS'
OFFICES WAS AN INFRINGEMENT
ON OUR RIGHTS

Character:

or

Classification: 194A-AN-13620-M

Submitting Office: Anchorage

Indexing:

ADN 9/20/06
**FBI raid of our lawmakers' offices
was an infringement on our rights**

Because I've crossed swords plenty of times on state policy with the Veco mob and its political cronies from both parties, I am well-positioned to say that I wonder why, professed civil or political libertarians or independents in Alaska aren't concerned about FBI raids on the offices of state lawmakers without so much as a publicly filed bill of indictment or an arrest warrant. A raid on a lawmaker's office is a raid on your privilege to communicate with that lawmaker and influence his decisions, not just Bill Allen's.

In those boxes of documents carted off are letters from you and maybe me. Were they meant for your FBI file? How will this affect future communication with lawmakers? Not a word of political or editorial concern emerges. Instead, former allies and candidates run for cover. We get a newspaper story about Bill Allen passing notes over the Legislature's rails, which apparently didn't deserve publication when the Legislature was in session when it might have aroused public outrage ("Veco's influence has been part of Capitol scene for years," Sept. 7).

How many times have open-ended police investigations chilled freedom of speech and freedom of political petition and freedom of association? To those quietly cowering or loudly cheering, may I remind you of an old hippie aphorism: "What goes around comes around"?

—Steve Conn
Seward

194A-AN-13620-Press

FBI - Stevens-573

(Mount Clipping in Space Below)

If there's no ethics reform, something's rotten in Juneau

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/24/2006

Edition: SUNDAY

Title: IF THERE'S NO ETHICS REFORM, SOMETHING'S ROTTEN IN JUNEAU

Character:

or

Classification: 194A-AN-13620-M

Submitting Office: Anchorage

Indexing:

It is quite reasonable for the average Alaskan to wonder who our elected leaders work for. We the people? Or whoever writes the biggest checks?

The FBI raids on six legislators' offices early this month reminded us just how cozy some lawmakers are with some campaign contributors. There's something rotten in Juneau, and it's sapping our trust.

Luckily there's an easy way for lawmakers to regain at least a portion of our confidence:

Pass the ethics bills that died last session.

When the new session begins in January, two bills that address conflict-of-interest concerns will be re-introduced.

One is Berta Gardner's bill that would require lawmakers to disclose more information about the income they receive. The other is Les Gara's bill that would close the Gregg Renkes loophole in the executive branch ethics law.

Gardner's bill would require a legislator who has a consulting job worth more than \$5,000 to tell us what exactly they do to earn their money and how many hours they expect to spend

BETH BRAGG

COMMENT



on the job. Exceptions would be made if the lawmaker is a licensed professional performing services in his or her field of expertise — a licensed lawyer providing legal consultation, for instance.

This is a must-pass bill, given that so much of our distrust concerns politicians who collect huge paychecks but won't say how they earn them. The current poster child for this is Ben Stevens, who has reported receiving five years' and \$252,000 worth of consulting fees from Veco — but refuses to say how he earns the money, because current law doesn't require him to.

It'd be nice if politicians gave us this information because they believe in transparency — or at the least, because they're worried it might look like

they're taking the money for favors bestowed instead of services rendered.

But this is Alaska, not Utopia, so we need a law that requires them to tell us these things. Otherwise, there will be those who sniff that it's none of our business, when in fact it's very much our business.

Gardner's bill made it to the House State Affairs Committee, but no further. A Senate version of the bill, introduced by Anchorage Democrat Hollis French, also stalled.

In light of the FBI raids that seem to target the link between several legislators and Veco, Gardner's bill should be a popular one this year. If it doesn't get bipartisan support, it should be only because a Republican introduces one similar to hers.

And in fact, Rep. Bob Lynn of Anchorage, who told the Daily News he doesn't think legislators should accept any consulting fees, is working on a reform bill of his own. House Speaker John Harris of Valdez, meanwhile, "guarantees" ethics reform will be an issue.

"If not," Gardner said, "shame on us."

Ditto if lawmakers fail to fix a loop-

FBI - Stevens-574

hole in the executive branch ethics law that allowed former Attorney General Renkes to dodge serious ethics violations. Renkes owned more than \$100,000 worth of stock in a company that potentially stood to benefit from a state contract he was helping to negotiate, but current law doesn't put a dollar amount on what's considered a significant enough financial stake to constitute a conflict.

The former U.S. attorney who ruled on the Renkes case pointed out the flaw and advised legislators to fix it. That was 20 months ago, and the loophole's still there, waiting to be taken advantage of again.

Les Gara, a House Democrat from Anchorage, introduced a fix that's both simple and obvious: Put a dollar amount in the law. His original version set the limit at \$5,000, which was later amended to \$10,000.

French introduced a similar bill in the Senate. But neither got anywhere, because Fairbanks Republican Ralph Seekins introduced a version that created more problems than it fixed — but because he's a member of the majority, it was the preferred bill.

Seekins' bill would have established

a \$10,000 limit that would be waived if the stock is placed in a blind trust. Worse, at varying times it would have punished people who disclose confidential ethics information with jail time (up to a year) or fines (up to \$5,000).

The bill was amended to eliminate the spectre of fines and misdemeanors, although it still would have made it illegal to talk about the filing of a complaint or even about the potential filing of a complaint.

And that's a problem, because a memo from the Legislature's Legal Services says the bill could expose private citizens to civil liability for talking about a complaint.

The bill passed the Senate but didn't make it to the House floor. That means the simple fix proposed by Gara and French could have a fighting chance next session. Alaskans should be following conflict-of-interest issues closer than ever, and we should demand that our lawmakers pass good bills. If we don't, shame on us.

■ Beth Bragg's opinion column appears Wednesday, Friday and Sunday. Her e-mail address is bbragg@adn.com.

ADN 9/24/06

(Mount Clipping in Space Below)

FBI raids cast light on dual incomes

■ **CONSULTANTS:**
Ethical standards for
lawmakers questioned.

By TOM KIZZIA
and LISA DEMER
Anchorage Daily News

Last month, state Rep. Tom Anderson testified before the Anchorage Assembly in favor of Wal-Mart's plan for two stores in his old neighborhood. Assembly chairman Dan Sullivan introduced him as Representative Anderson, but the lawmaker for Muldoon corrected him.

He was there representing the home builders association, Anderson said.

Anderson, who was a consultant before he was elected to the state House four years ago, has never stopped making money on the side as a paid adviser for clients who do business with state and local government.

His dual role may have surprised the Assembly in August. But it would not have surprised some members of the Northeast Community Council, the neighborhood group that opposed the stores. They recall seeing Anderson at their meetings all through 2003. They assumed he

was there as the local state legislator. But Anderson's state financial disclosure form, filed the following year, revealed he was also working as a \$10,000 consultant on community councils and local government for the oil field services and construction company Veco.

"We are all going, 'This is so bogus,'" said council president Peggy Robinson, who publicized Anderson's Veco connection in an unsuccessful bid to topple Anderson from his House seat in 2004.

Now Anderson's role as a consultant to industry is coming under scrutiny again, following last month's FBI searches of six legislative offices seeking information on legislators' links to Veco.

The practices of Anderson and a few others who consult on the side also raise broader questions about state ethics laws. As it stands, lawmakers can receive unlimited and undefined "consulting" income from companies who could benefit from the Legislature's actions.

The FBI inquiry has given momentum to reform efforts.

See Page A-10, CONSULTANTS

FOCUS: Rep. Tom



Anderson's
work as a
business
consultant

and city lobbyist has
raised questions and led
to a call for reform.

A-11

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/24/2006
Edition: SUNDAY

Title: FBI RAIDS CAST LIGHT ON
DUAL INCOMES

Character:

or

Classification: 194A-AN-13620-M -292
Submitting Office: Anchorage

Indexing:

FBI - Stevens-576

CONSULTANTS: Conflict of interest concerns extend beyond Veco

Continued from A-1

"I can guarantee you this: That the subject will be brought up in the next session," said House Speaker John Harris, R-Valdez.

The cloud from the current investigation shows that reform is needed, Harris said. The public needs better assurance that lawmakers are qualified to do the work, he said.

"The question is: Do legislators get hired to do duties that they are really not qualified for and they're not asked to produce anything? That's what it comes down to," Harris said. "Is it just a form of a payoff?"

ON THE PAYROLL

Veco executives have long been frequent and generous contributors to political campaigns in Alaska and nationally. But two current legislators also have been regulars on its consulting payroll. Anderson reported \$30,000 in Veco income between 2003 and 2005.

Senate President Ben Stevens declared, \$232,000 in consulting work for Veco from 2001 to 2005.

Veco, which also publishes the half-page "Voice of the Times" editorial section in the

Daily News, did not respond to interview requests for this story. In a statement earlier this month, the company said, "To Veco's knowledge, it has done nothing improper or illegal." Stevens also has declined to be interviewed, and said last week that he's been advised not to answer questions about the investigation.

The concerns raised about lawmakers' employment by Veco — heavy disclosure requirements, public uncertainty about motives and qualifications, possible conflicts of interest in and out of the Capitol building — extend to consulting work for other business interests as well.

One example is Anderson's municipal lobbying work for the Anchorage Home Builders Association, which hired him at \$2,500 a month in July. His job put him at odds with the Northeast Community Council, all the more



DAVE HILL / Daily News archive 2005

State Senate President Ben Stevens listened as Republican Moderate Party founder Ray Metcalfe argued for an investigation of Stevens' consulting business at a meeting of the Alaska Public Offices Commission on Dec. 1, 2005, in Anchorage. Metcalfe said business payments to Stevens were thinly disguised graft. Stevens denied involvement in influence peddling.



DAVE HILL / Daily News archive 2005

Ben Allen, Veco's chief executive, fourth from left in the gallery, listened to Senate floor debates on an oil royalty tax bill as the 1995 legislative session drew to a close in June. Allen has been a familiar presence in halls of the

greater disclosure of consulting and little to crimp Veco's employment of other contracts held by elected officials. Stevens and Anderson were both consultants before they

The measure, introduced by Rep. Berta Gardner, D-Anchorage, would have required legislators and two other lawmakers show up with personal ser-

ices contracts to disclose in broad terms what they did to earn the money and how much time they spent on the job. The bill required a description of the work "sufficient to make clear to a person of ordinary understanding the specific services performed."

"I thought I was dealing with the appearance of corruption, but maybe it's something more."

I think the solution probably is to tighten up the existing rules a little bit.

— House Speaker John Harris, R-Valdez

forms "dating back to 2002. One was for a boat rental from a fisherman; one was for legal work from a lawyer."

In 2002, Veco paid \$17,500 to use a boat owned by Rep. Paul Seaton, R-Homer. The contract came in the summer before Seaton, a commercial fisherman who owns several boats, was first elected. He said his fish tender



66
I thought I was
dealing with
the appearance
of corruption,
but maybe
it's something
more,

—Rep. Ben Stevens,
D-Anchorage

Wal-Mart project. Anderson argued on behalf of the home builders it was good economic development.

The most noted example is Stevens, who has received more than \$1.8 million in consulting contracts and pay from private organizations in the past five years. He reported \$382,000 in income from an Adak Fisheries company that he received a pollock allocation worth millions of dollars through special congressional action by his father, U.S. Sen. Ted Stevens, R-Alaska. Ben Stevens returned \$142,000 in consulting fees from Cook Inlet Region Inc., in the wake of bad publicity and complaints from several CIRC board members, saying he'd been unable to complete work on the business venture they'd discussed.

Stevens, with Veco as a major client, is one of the lawmakers whose office was searched by the FBI. Anderson's was not.

Three years ago, then-Sen. Scott Ogan, R-Palmer, came under heavy criticism for a \$40,000 consulting contract with a shallow-gas drilling firm interested in his district. A former cabinetmaker, Ogan had developed his expertise as chairman of the Senate Resources Committee, in charge of regulating shallow-gas development. He gave up the contract but was threatened with a recall campaign and eventually quit the Senate.

While several legislators are employed directly by companies with interest in Senate bills, the number of other reported consulting jobs remains small. One case is Rep. Vic Kohring, R-Wasilla, who reported income of \$3,400 in 2004 and \$38,100 in 2005 from Anchorage developer Marc Marlow.

Kohring's official disclosure said he was getting paid to assist with the development of construction-

related projects, including arranging and conducting meetings, performing research, and developing plans and strategies. Marlow said recently that the work was to help him with plans to build an electrical power plant in the Mat-Su. Marlow said he isn't seeking any state funds, and Kohring said he has been very careful to follow state ethics rules.

Kohring, a longtime acquaintance, has the smarts for the complex power plant project, Marlow said. He's "detail oriented and conscientious," Marlow said, plus he has a master's degree in business administration and has served on the Alaska Housing Finance Corp. board. Kohring has said his other sources of income are work as a house painter and drywall hanger.

'RED-FACE TEST'

Earlier this year, before the FBI inquiry of the lawmakers and Veco burst into public view, Democrats tried to change state law to require

April and was referred to the House Judiciary Committee, where it died. The Judiciary Committee chairman was Rep. Leif McGuire, R-Anchorage, who is married to Anderson. Anderson was the committee's vice chairman.

McGuire said in an interview last week that she thought the bill had merit. She said she herself gave up consulting after completing a \$10,500 contract with Providence Alaska Medical Center because public questions made her uncomfortable. But she said this year's bill died because Gardner didn't request a committee hearing early enough.

Gardner's office disputes that, saying their records show the request was made April 13, five days before the deadline for committee hearings. Gardner said she thought the bill died because Republican leaders didn't relish a fight with Ben Stevens. "He of course believed it was aimed at him," said Gardner. She said the plans to introduce a similar bill next year.

Neither Stevens nor Anderson is running for re-election. But that's not the only reason reform efforts are likely to get more attention from Republican leaders next year.

One Republican already preparing a bill, Rep. Bob Lynn of Anchorage, said he doesn't think legislators should take any consulting money. Even if their loyalties are not conflicted, it looks like they are.

"I don't agree with the consulting contracts. Period. It doesn't matter if it's 5 cents or 5 million," said Lynn, whose bill would stop short of a total ban.

Harris has a different solution. He wants evidence the legislator is truly being paid for expertise. "I think the solution probably is to lighten up the existing rules a little bit to say the legislator has to show some either work or educational experience before they can accept a job from somebody," Harris said.

In his eight years in the House, Harris said, he's been offered a couple of consulting contracts that would have paid "substantial" money. Harris, who usually works in the off season as a Teamster truck driver, said he turned them down because the arrangement didn't pass "the red face test." He said he couldn't justify the work for the money. When it came down to it, he said, he knew they wanted him because he's a legislator. He wouldn't name the business, other than it wasn't Veco.

FOLLOW THE MONEY

A rule insisting on proper qualifications would probably have done

old rig construction job. The legal payments, went to then-Sen. Robin Taylor, who got into a jam with critics in his home town of Wrangell over that work.

Taylor, a lawyer and longtime chairman of the Senate Judiciary Committee, reported being paid \$15,700 for legal work by Veco in 2000, \$19,300 in 2001 and \$16,800 in 2002. He also served as city attorney for Wrangell during that period.

Critics accused Taylor of hiding his Veco ties when the city council considered taking up a private prison project in 2001. Veco had been part of the consortium whose prison plan had just been turned down in Ketchikan. Taylor insisted he had disclosed his Veco ties on state forms and didn't need to announce them.

Taylor retired from the Senate and his private legal practice in 2003 and is now head of the state marine highway system. He was among the current and former legislators known to have been interviewed by the FBI in the current investigation.

Taylor said last week that he had never been lobbied by Veco over the prison. As far as he knew, he said, Veco wasn't interested in a Wrangell prison. "It's a breach of attorney-client privilege, but I can tell you from that client never talked to me once about that project," Taylor said.

Gardner, the Democrat who pushed ethics reform last session, said legal work like Taylor's would probably require a different disclosure standard. There are privacy reasons for protecting details of legal work. But she said it would help to divulge the type of legal work required, to be sure the legislator has proper expertise.

Information on private-services contracts with Veco and other companies is available only through 2006. Any consulting salaries paid to legislators for 2006, in a year of high-stakes debate over oil tax and gas line issues, do not have to be disclosed until reports are due March 15, 2007.

As for past Veco consultants Anderson and Stevens, the public may never know if they had consulting contracts this year. As retiring legislators, the Alaska Public Offices Commission said, neither will have to file disclosure forms next year.

Reporters Ben Hille can be reached at benhille@adn.com or at Hille at 907-235-4244. Reporter Lisa Dwyer can be reached at dwyer@adn.com or 235-4350. Reporter Dan Hesse also contributed to this story.

Outside income for Ben Stevens and Tom Anderson

Entity	2001	2002	2003	2004	2005	TOTAL
BEN STEVENS						
Adak Fisheries LLC		\$80,000	\$120,000	\$80,000	\$382,300	\$662,300
Veco	\$52,500	\$47,500	\$47,500	\$47,500	\$157,000	\$252,500
Special Olympics World Winter Games	\$236,225					\$236,225
Stevens & Associates	\$23,000	\$48,000	\$48,000	\$48,000	\$48,000	\$215,000
North Pacific Crab Assn	\$112,000	\$44,000	\$44,000	\$44,000	\$124,000	\$168,000
Cook Inlet Region Inc.	\$172,500	\$145,000				\$317,500
Glacier Fish Co.		\$4,200	\$121,000	\$71,000	\$116,800	\$212,000
Special Olympics Inc.	\$42,000	\$115,000				\$157,000
Hightland Light Fisheries Inc.		\$4,200	\$125,200	\$125,200		\$253,600
Al Sea Processors Alaska	\$19,000	\$30,000				\$49,000
Yardarm Tool Inc.				\$33,000		\$33,000
Northward Seafoods Inc.	\$15,000					\$15,000
Adak Fisheries Development Inc.	\$15,300					\$15,300
SW Alaska Municipal Coal	\$12,800					\$12,800
Exstar Natural Gas (Source)	\$1,000	\$5,000				\$6,000
Alent Enterprises (Dwyer)	\$1,875	\$1,050				\$2,925
ANNUAL TOTAL	\$506,225	\$432,800	\$518,845	\$282,700	\$329,100	\$1,869,670
TOM ANDERSON						
Veco		\$113,000	\$11,500	\$12,500	\$38,000	\$175,000
Alaska Telephones Association			\$28,000			\$28,000
Pacific Publishing			\$10,000			\$10,000
Marc Marlow				\$5,000		\$5,000
ANNUAL TOTAL	\$0	\$151,000	\$53,500	\$27,500	\$53,000	\$285,000

Source: Disclosures reports filed with Alaska Public Offices Commission.
***Not in legislature



Sen. Robin Taylor
Taylor, a lawyer and longtime chairman of the Senate Judiciary Committee, was paid \$15,700 for legal work by Veco in 2000, \$19,300 in 2001 and \$16,800 in 2002. He also served as city attorney for Wrangell during that period.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 09/24/2006
Edition: SUNDAY

Title: ANDERSON'S CONSULTING
SERVICES IN DEMAND

Character:

or

Classification: 194A-AN-13620-M

Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-579

Anderson's consulting services in demand

■ **WELL-CONNECTED:** Veco and home builders group among clients he served.

By LISA DEMER and TOM KIZZIA
Anchorage Daily News

Tom Anderson's dual role as a legislator and consultant has drawn criticism over the years, but he defends it as work he's well equipped to do.

The 39-year-old Anchorage Republican has a master's degree in public administration from the University of Alaska Anchorage and a law degree from Hamline University School of Law in Minnesota (though he's never practiced law).

He is known as personable, funny, chatty and well-connected. His father is the former head of Alaska State Troopers. The younger Anderson worked as chief of staff to then-Rep. Terry Martin and was appointed to an Anchorage School Board seat in 2000 but lost an election to keep it eight months later. He was working as a government consultant for industry before he ran for state office.

For the past four years, Anderson has represented East Anchorage in the state House. For the first three years, he reported \$65,000 in private consulting income on the side. Nearly half that money, \$30,000, came from Veco, the oil field services and construction company whose ties to legislators now are under investigation by the FBI.

Disclosure reports by state legislators for outside work done this year are not required until next March. For Anderson and others who are leaving the Legislature after this year, they will not be required at all. But reports required by the Municipality of Anchorage, where Anderson says his recent work has taken place in his new role as a local-government lobbyist, provide some additional information about his work in 2006.

Efforts to interview Anderson for this story were unsuccessful. He provided brief answers to several questions via e-mail.

"I have attempted at all times to fully comply with the laws and regulations governing the conduct of public officials," Anderson wrote.

He said his ability to perform as a responsible legislator for his district had never been compromised. To avoid conflicts, he did not begin his municipal lobbying this year — for the Anchorage Home Builders Association and the Cabaret, Hotel, Restaurant and Retailers Association, or CHARR — until after the regular legislative session was over, he said.

When Anderson registered as a lobbyist with the city this year, he reported working for the home builders on "homebuilding & construction," and for CHARR on the proposal to ban smoking in bars. He said in an e-mail that he worked to delay the effective date of the ban, which the Assembly agreed to. He said he no longer works for CHARR.

Even if Anderson is following the rules, his new role doesn't sit well with Anchorage Assembly member Dick Traini. Traini is proposing to bar state legislators from lobbying the Assembly or the School Board altogether for a year after leaving office.

"It just sets up a bad relationship when the same body you go to for funding comes to you to lobby for other things," Traini said.

A legislator can't realistically set aside elected duties to lobby, he said. "The moment you take office you represent your constituents. There is no time out."

In 2002, while Anderson was being paid \$40,800 by the bar, restaurant and liquor trade group, he won his House District 19 seat.



Lobbyist Wendy Chamberlain stopped Rep. Tom Anderson, R-Anchorage, briefly as he approached House chambers May 6, 2005, at the Capitol in Juneau.

After his first session in 2003, Veco approached him about a consulting job, Anderson told a Daily News reporter two years ago. His first role was to seek out civic and charitable events for Veco to become involved in and to watch out for local zoning cases, he said at the time. He noted on his disclosure form that he was "consulting on community council and local government affairs." He also has said his Veco duties didn't conflict with his being a lawmaker.

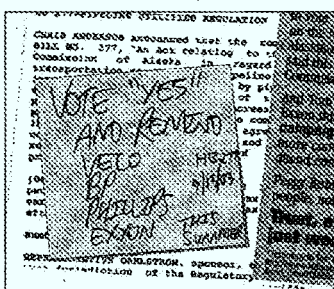
Anderson attended meetings of the Northeast Community Council during his first year in office as their legislator. His other role, as Veco's monitor of municipal neighborhood issues, didn't come to light until he filed his disclosure in 2004. Council officials said they were surprised. Veco, with offices around the world, had no local projects that four former and current council leaders knew about.

Peggy Robinson, a former Anchorage School Board president, raised his Veco work in her unsuccessful 2004 legislative race against Anderson. She also raised a questionable Anderson-Veco connection immortalized on a yellow sticky note.

The note was passed around May 13, 2003, during a meeting of the Labor and Commerce Committee, which Anderson chaired. Robinson got it from the office of another Republican legislator and was told Anderson wrote it. Up for discussion: A bill that would have loosened state regulation of pipelines.

"Vote 'yes' and remind Veco BP Phillips Exxon this summer," Anderson supposedly wrote on the note. Robinson featured the yellow sticky on a campaign mailer. Anderson responded at the time that he wrote a lot of notes and didn't remember that one but always voted his conscience, "not on who contributes to my campaign."

In September of 2003, Anderson took another job, consulting for the Alaska Telephone Association, a trade group of local phone companies. Its members tend to be rural companies. Anderson's Labor and Commerce Committee oversaw telecommunications issues, including a controversial and bitterly fought measure earlier that year to extend the life of the Regulatory Commission of Alaska for four years. The commission regulates telephone companies.



The sticky note that an opponent of Rep. Tom Anderson said he passed to other legislators during a meeting of a House committee in 2003 considering a pipeline regulation bill. Anderson has said he wrote a lot of notes but didn't remember that one, and in any case didn't vote based on campaign contributions.

Jim Rowe, the long-time executive director for the Alaska Telephone Association, said he met Anderson that year and then hired him for \$5,000 a month for four months to instruct association members how to be more effective in their dealings with legislators in Juneau. Anderson spoke at a trade show for the association and at least one other meeting and spent more time just with him, Rowe said in a recent interview.

"I understand that any relationship with Tom Anderson at this time is apt to be looked at with skepticism and a business/consulting relationship with even a more critical eye. Nonetheless, Tom treated me fairly, provided instruction to my membership, and I like him," Rowe said in a follow-up e-mail.

In 2004, Veco hired Anderson again, this time for \$17,500 to consult on "Russian business endeavors," according to the disclosure he filed in 2005. Neither Veco nor Anderson has explained what he did. In 2005, Anderson only had a small Veco contract, \$2,500 for "election/proposition research," according to the report he filed in April.

This year, in the heat of debate over oil tax

increases, Anderson hand-delivered notes to his colleagues on the House floor passed from Veco chairman Bill Allen, sitting in the visitor's gallery, according to several legislators.

After marrying Rep. Lesli McGuire last year and moving to her district, Anderson chose not to run again. McGuire, also a Republican, is running for the state Senate seat being given up by Ben Stevens.

After the regular session this year, Anderson worked briefly again for the liquor trade group. In July, Anderson got a new job as municipal lobbyist for the Anchorage Home Builders Association, which is paying him \$2,500 a month through the end of the year.

Four months earlier, Anderson had been prime sponsor of a bill making it easier for the state to fine unlicensed contractors. House Bill 81, which passed into law, was a priority for the home builders association.

Anderson's sponsorship of the bill had nothing to do with his getting hired, said Ray Hickey, president of the home builders association. Other legislators worked more on it, he said. The association needed a municipal lobbyist and there were few other choices.

Anderson appeared before the Assembly in August to tout a proposed Wal-Mart Supercenter and Sam's Club in Muldoon. The community council in January had voted to oppose the rezoning. Members were concerned the two stores would undermine the area's town center plan.

In his e-mail, Anderson said he appeared before the Assembly as part of his new, post-legislative work.

"At the end of the day, I have to answer first, certainly, to myself in terms of integrity and honesty," Anderson said in 2004. "And a close second is to my constituents."

Reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 907-235-4244. Reporter Lisa Demer can be reached at ldemer@adn.com or 257-4390. Reporter Don Hunter also contributed to this story.

194A-AN-13120-Press

“
I have
attempted at
all times to
fully comply
with the laws
and regulations
governing the
conduct of
public officials.”

— Anderson in e-mail

adn.com

Anchorage Daily News

Print Page

Close Window

FBI - Stevens-581

Alaska candidates get cash from Veco**\$119,000: Six executives donated what turns out to be unwanted money.**

By DON HUNTER

Anchorage Daily News

(Published: September 29, 2006)

Six executives for the Veco Corp., the company named in the federal investigation into political corruption in Alaska, donated at least \$119,000 to the campaigns of candidates running for more than half the seats open in this year's primary election.

The total might have still been climbing had not the FBI raided the company's corporate headquarters and the offices of at least a half-dozen state lawmakers two months before the Nov. 7 election. Veco's total in this election cycle is a little more than half the \$200,000 its executives generated for legislative races in 2004, but Veco money has suddenly become unwanted across most of the political spectrum.

Scores of Alaskans are regular and generous contributors to political candidates, year after year. Developers, construction company owners, doctors, lawyers, business owners, oil and gas executives, retirees. Many give the candidates of their choice the maximum amounts available in a given year -- \$1,000 annually since 2003; \$500 annually starting next year under an initiative passed by voters in August.

Veco's six executive contributors -- chairman Bill Allen, president Peter Leathard, chief financial officer Roger Chan, vice president Rick Smith, information officer Thomas Corkran and personnel manager James Slack -- regularly donate to a similar list of candidates, usually in the same \$500 amounts and with checks dated within a few days of each other.

As is usually the case, almost all the Veco money donated to candidates this year and during the 2005 interim year went to Republicans, and the vast majority to incumbents.

Leathard didn't return two calls seeking comment. In the past, company officials have said they support candidates who favor economic development and a stable oil tax climate in Alaska. In a written statement issued Sept. 5 in response to the federal investigation, Veco said its officials were cooperating with the authorities and denied any wrongdoing by the company or its executives. The company said it looked forward to "dispelling any concerns on the part of the government and others."

One Democrat, Rep. Carl Moses of Unalaska, got a total of \$3,000 in

Donations list	
Veco executive list shows campaign or political 2005-2006 election cycle, as of most recent report filed by Aug. 22.	
	
Office	AMOUNT
Senate, Seat B	
Ralph Serrano, Republican, incumbent	\$12,000
Senate, Seat H	
Charles Higgins, Republican, incumbent	\$12,000
Senate, Seat J	
Lois "Earl" Mayo, Republican	\$12,000
Senate, Seat K	
John McGuire, Republican	\$16,000
Norman Polenberg, Republican	\$16,000
Ben Stevens, Republican (withdrawing)	\$12,000
Senate, Seat P	
Con Burns, Republican, incumbent	\$12,000
Senate, Seat R	
Gary Stevens, Republican, incumbent	\$12,000
House District 1	
Jim Ekens, Republican, incumbent	\$12,000
House District 2	
Greg Wilson, Republican, incumbent	\$12,000
House District 3	
St Thomas, Rep. Allen, incumbent	\$12,000
House District 9	
Jim Holm, Republican, incumbent	\$12,000
House District 10	
Jay Harris, Republican, incumbent	\$12,000
House District 11	
John Cohen Jr., Republican, incumbent	\$12,000
House District 12	
Ken Harris, Republican, incumbent	\$12,000
House District 13	
Carl Olson, Republican, incumbent	\$12,000
House District 14	
Dr. Katching, Republican, incumbent	\$16,000
House District 15	
Mike Newman, Republican, incumbent	\$12,000
House District 16	
Ed Seltzer, Republican, incumbent	\$12,000
House District 17	
Paul Kord, Republican, incumbent	\$16,000
House District 20	
Mike Moon, Republican	\$12,000
House District 21	
Jeff Conditson, Republican	\$12,000
House District 24	
Darwin Peterson, Republican	\$12,000
House District 26	
Mike Friesen, Republican	\$12,000
House District 27	
Philas Stange, Republican	\$12,000
House District 29	
Ralph Serrano, Republican, incumbent	\$16,000
House District 30	
Kevin Meyer, Republican, incumbent	\$16,000
House District 31	
Bob Lynn, Republican	\$12,000
House District 32	
Alida Howett, Republican, incumbent	\$16,000
House District 33	
Mark Olson, Republican, incumbent	\$12,000
House District 35	
Mike Chavakis, Republican, incumbent	\$16,000
House District 36	
Gladys Le Douarin, Republican, incumbent	\$12,000
House District 37	
Carl Moses, Democrat, incumbent	\$12,000

194A-AN-13620-Press

donations from the Veco executives in the first seven days of August.

A couple of weeks later, Moses, nursing a pinched nerve in

Anchorage, flew to Juneau to break a deadlock on a revamped state

oil and gas tax the company favored, one of only four Democrats to support the measure. Moses has said the donations had nothing to do with his vote.

Nineteen of the 22 Republican House incumbents running for re-election this year had received Veco donations by the time the most recent campaign finance reports were filed Aug. 15: Four Senate Republicans who are running for re-election got Veco donations, along with state Sen. Ben Stevens, who withdrew, and a Republican candidate for another vacant Senate seat. Veco's executives also donated to four Republican candidates in House races with no incumbent.

A few Republican incumbents up for election, however, had received no Veco money. They were state Sen. Gene Theriault of Fairbanks, and Reps. Mike Kelly, R-Fairbanks, Nancy Dahlstrom, R-Eagle River, and Paul Seaton, R-Homer.

Three Republicans in one race -- for seat N in the state Senate -- got a total of \$15,000. Stevens, the incumbent, accepted \$3,000 last year, before pulling out of the race in July. House incumbents Lesil McGuire and Norm Rokeberg each got about \$6,000 -- \$3,000 in 2005 and another \$3,000 this year -- to run against each other for Stevens' vacated seat.

McGuire, who handily defeated Rokeberg in the primary, said her 2006 Veco checks were delivered by Smith to a fundraiser she held on Aug. 9. Rokeberg's were dated a day later.

McGuire was one of four Republicans who took a position in at least some votes against the oil profits tax and against Veco's position. The other Republicans were her husband, retiring Rep. Tom Anderson, and Reps. Dahlstrom of Eagle River, who got no Veco money, and Vic Kohring of Wasilla, who received about \$6,000 in contributions.

McGuire said she's segregated the \$3,000 in Veco contributions she received this year and won't spend it unless the company is exonerated. Kohring didn't say.

In all, 33 candidates in 31 races got Veco donations, but some, like McGuire, have had second thoughts. Among them: Earl Mayo, a Republican seeking a Senate seat in East Anchorage, and House candidates Matt Moon, Jeff Gonnason and Darwin Peterson returned the \$3,000 each received from six Veco executives. Rep. Jay Ramras, R-Fairbanks, also said he was "segregating" the Veco money in his campaign account and would decide what to do about it later.

Peterson, who will face incumbent Democrat Berta Gardner in House District 24, said he wasn't worried that accepting contributions from a company under investigation would taint his candidacy.

"I'm above reproach as far as I'm concerned," he said. "I just wanted to make sure I was impartial and neutral in this whole investigation."

In some cases, donations went to influential incumbents facing only token opposition, or none at all. Reps. Kevin Meyer and Mike Chenault, for example, were unopposed in their primary elections and have no opponent in the November general election. Both incumbents got a total of \$3,000 from the Veco executives in 2005, and both were among a series of candidates who received another \$3,000 in Veco donations during joint fundraisers held at Anchorage's Petroleum Club in the second week of July, as lawmakers were being called back into a second special session on oil and gas issues by Gov. Frank Murkowski. Meyer and Chenault are co-chairmen of the House Finance Committee.

Another incumbent, Rep. Peggy Wilson, R-Wrangell, accepted \$3,000 in Veco contributions during
FBI - Stevens-582

the same week of Petroleum Club fundraisers.

"I have nothing to feel guilty about," Wilson said. "I didn't do anything wrong. And I definitely don't pay any attention to what people give me (when) I make my decision."

Wilson said she does remember the first time she met Allen, however.

"It was my first year in Juneau. My staff was making appointments for different lobbyists, and I got up -- I can remember, I was in Room 409 -- and (saw) this man coming in. It was Bill Allen. He's a big man, so I'm kind of looking up at him, and the first words out of his mouth were, 'I've donated to your campaign.' I got so hot! I shook my finger in his face and said, 'Listen here, mister, I'll be glad to sit and listen to you, but whether you gave me any money or not will have nothing to do with the decision I make.'"

Daily News reporter Don Hunter can be reached at dhunter@adn.com. Reporter Lisa Demer contributed to this story.

[Print Page](#) [Close Window](#)

Copyright © 2006 The Anchorage Daily News (www.adn.com)

FBI - Stevens-583

(Mount Clipping in Space Below)

Knowles long past honeymoon with Veco

■ **1990s:** Alaska politicians have found it difficult to avoid contributions from the oil industry.

By **TOM KIZZIA**
Anchorage Daily News

If this were a normal election season, Tony Knowles' effort years ago to reach out to the oil industry might look like brilliant political foreshadowing.

With Alaska facing major negotiations over a proposed natural gas pipeline, Knowles could

have pointed to his two terms as a centrist Democrat in a Republican state who proved he can sit down and make deals with oil companies. Knowles, as governor, even showed he could strike up a working relationship with one of his harshest industry foes, Veco chief Bill Allen.

But this election year is turning inside-out. Republican Sarah Palin is campaigning as the ethical outsider — at odds with her state party's long and close association with the oil industry. And Knowles is struggling to keep his outreach to Allen and Veco in the 1990s from turning into a major liability following the FBI searches of Veco

and state lawmakers' offices and the ongoing federal investigation into possible corruption in the Legislature.

The tension was apparent last week when Palin spokesman Curtis Smith described Allen as head of Knowles' transition team in 1994. The Knowles campaign howled in protest, saying Allen played a relatively minor role in the transition and accusing Palin of deliberately trying to tar Knowles by association with "a highly controversial figure." Both campaigns have said they

See Back Page, VECO

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 10/01/2006
Edition: SUNDAY

Title: KNOWLES LONG PAST
HONEYMOON WITH VECO

Character:
or
Classification: 194A-AN-13620-M - 295
Submitting Office: Anchorage

Indexing:

FBI - Stevens-584

VECO: Early contributions to Knowles faded to nothing

Continued from A-1

won't take contributions this year from Veco employees.

All of which leaves political heads spinning.

"For so long, Bill Allen's been involved in politics up here. To ignore him would have been a mistake" in 1994, says Curtis Thayer, a longtime Republican insider who is now backing Knowles. He says many Republicans were miffed and resentful that their ally, Allen, was cooperating with Knowles at the time. "Now, ironically, 12 years later, it's seen as a problem for Knowles," he said.

Palin says voters should be aware of Knowles' one-time relationship with Veco and decide for themselves whether it is significant. "We've been told that they literally flew off together to visit oil companies after he was elected," Palin said. "This isn't being negative. These are just facts that illustrate the relationship."

Knowles says the transition-period trips in 1994 were well-publicized symbolic gestures, carefully set up to avoid any conflicts of interest. He says his work with Allen was part of his larger effort to help the state's economy.

"He was a very strong political opponent in every race I was in, with the exception of 1998, when I was running against a wingnut," Knowles said, referring to John Lindauer, the candidate for governor whom Republicans eventually dumped in favor of a write-in campaign. "I felt as governor it was my goal to bring people together from both sides after winning a close election."

REPRIEVES FROM THE COMPANY

Knowles devoted considerable energy during his 1994-2002 term to oil field concerns — providing new drilling incentives, settling back-tax disputes and laying groundwork for a gas pipeline. Critics — including some Democrats — often accused him of being too generous to oil companies, for example when the state intervened in BP's 1999 buyout of Arco. Knowles defends those efforts now as good policy in a shaky time of low oil prices. And he says his eight years in office were never tainted by ethics scandals or political payoffs.

Veco, frequently described as the industry's main political operator in Alaska, showed some appreciation for Knowles' efforts. The oil field service and construction company and its executives and employees directed some \$23,000 in campaign contributions to Knowles in the 1990s. Company officials, along with other industry figures, donated tens of thousands of dollars more to a post-victory Governor's Fund and to the Democratic Party while Knowles was in office. Those contributions were relatively small change: Veco gave hundreds of thousands of dollars during that time to the Republican Party and conservative legislative candidates. Company officials have put close to \$1 million into state and federal races over the past decade, according to federal figures and tallies by nonprofit watchdog groups.

But Knowles' efforts also seemed to win him periodic reprieves from the scorn of the Veco-owned Voice of the Times, a separate conservative, pro-development editorial section published in the Daily News.

As governor, Knowles sometimes clashed with Veco over the company's legislative priorities, such as tort reform, private prisons and a property tax incentive proposed for the gas pipeline in 2002. And if Knowles hoped Veco's good will would follow him out of the governor's mansion, he was quickly disappointed.

Veco backed Frank Murkowski for governor in the 2002 election instead of Knowles' chosen successor, Lt. Gov. Fran Ulmer. And Veco froze out Knowles in his 2004 run for U.S. Senate, backing



Lisa Murkowski and subjecting Knowles to an almost daily barrage of unfavorable editorials in the campaign's home stretch.

Veco officials have said in the past that they support candidates who favor economic development and a stable oil tax climate in Alaska. Allen and other Veco executives have declined to talk with reporters since search warrants were served by the FBI on the company and six state legislators starting Aug. 31. In a written statement issued Sept. 5, the company said its officials were cooperating with the investigation, denied wrongdoing by the company or its executives and said it looked forward to "dispelling any concerns on the part of the government and others."

Palin, the former Wasilla mayor, has had her own dealings with Veco in her short political career, receiving \$5,000 from company officials at the end of 2001 toward her unsuccessful run for lieutenant governor in 2002. The money equaled 10 percent of her campaign funds. Veco gave similar amounts to three other Republicans running against her in that primary. This year, Veco backed Gov. Frank Murkowski in the primary, and Palin said early that she would not take contributions from the company if she won.

Former state Rep. Sean Parnell, a former oil lobbyist and Palin's running mate for lieutenant governor this year, received \$16,000 from Veco while running for the Legislature in the 1990s. He got \$1,000 from Veco during this year's primary. (Rep. Ethan Berkowitz, Knowles' running mate this year, received a total of \$3,000 from Veco executives in his runs for state House in 1998 and 2000.)

Palin has to be a little careful with the Veco issue this year, says political consultant and pollster Marc Hellenenthal, since she's taken their money herself. But voters shouldn't assume anyone who's ever accepted Veco money is corrupt, he said. "You'd get rid of most of the politicians in the state, since Veco was the political arm of the oil industry," Hellenenthal said.

Among Allen's past political roles, he was co-chairman of the Alaska state campaign team for George W. Bush in 2000.

In raising the issue, Palin presumably thinks it tilts in her favor.

Palin and Knowles are both making ethics a central theme, and Veco gives her a way to create a small doubt in voters' minds, said Hellenenthal, who is not working in the current governor's race but has worked extensively for Republicans in the past.

"It allows her to have a contrast between herself and Tony on the ethics scale," Hellenenthal said, "because he's the one with the long history."

KNOWLES OPPONENTS BACKED

Knowles, a former Anchorage mayor, first ran for governor in 1990. Veco was flush with cash from its cleanup role in the Exxon Valdez oil spill and had just purchased The Anchorage Times. The company backed Knowles' Republican opponent, Arliss Sturgulewsky. Former Republican Gov. Wally Hickel, financing an independent run with his own fortune, was elected.

"I felt as governor it was my goal to bring people together from both sides after winning a close election."

— Tony Knowles

Entering the 1994 race, Knowles surprised many allies with a newspaper column calling for a new partnership with the oil industry and criticizing an effort by Hickel — and many Democrats — to pass a law strengthening the state's position in negotiations over back taxes. The May column, headlined "Hickel tax scheme makes IRS look good," appeared in the Voice of the Times, the Veco-published editorial page that survived the newspaper's demise.

That declaration had no immediate effect on Veco. The company backed Knowles' Democratic opponent, former Lt. Gov. Stephen McAlpine, in the primary, then his Republican opponent, Jim Campbell, in the general campaign. Campbell received \$24,000 in Veco-related contributions. Late in the primary and then right before the general election, Knowles received a total of \$8,500 from Veco contributors.

Several weeks before the election day, according to press accounts, Bill Allen joined several Republican leaders, including Sen. Ted Stevens, to urge third-party candidate Jack Coghill to drop out. They feared he would help Knowles by splitting the conservative vote. Coghill stayed in and took 13 percent of the vote, and Knowles was elected governor by 536 votes.

In the transition, Knowles made Allen co-chairman of his economic and community development team, one of 26 such committees operating under transition chairs Ulmer and Dave Rose. The committee's other leader was bank executive and former Alaska Federation of Natives president Janie Leask. Its other members were grocer Gregg Carr and Native leader Willie Hensley, newly appointed to head the state's Commerce Department.

Allen already had a controversial reputation as a kingmaker. Veco had been investigated several times for skirting state campaign finance laws and had paid the biggest fine on record for one violation. Knowles says he reached out to Allen as a key industry official but kept him off the natural resources team to avoid an appearance of conflict.

The four team members flew with Knowles to the headquarters of Exxon, Arco and BP to discuss the oil industry's future in Alaska. The trip was a lot about symbolism — quick visits to build personal relationships, not discuss substantive issues, Leask recalled in an interview last week. Allen seemed a logical addition, she said, knowledgeable and influential: "He was somebody you really wanted to have on your side."

During the honeymoon, harsh invective from the Voice of the Times went away. Times editors have long insisted that Allen doesn't tell them what to write, but the change of tone was noticeable after Allen joined the transition team. Knowles "has delighted folks of every political persuasion during his first two weeks in office," the Voice wrote on Dec. 23, 1994. Veco also took part in post-election fundraising for Knowles and for several Democratic Party funds.

"Bill Allen likes to support winners. That's what he's always done," said Thayer.

Oil and gas issues figured prominently — and often controversially — in Knowles' two terms as governor. One particular issue was Knowles' successful effort to rewrite lease terms for BP's



- **BLOG:** Discuss the latest issues online. www.adn.com/thetrail
- **EXPANDED COVERAGE:** See past stories and find links to candidates' Web sites. www.adn.com/elections

Northstar holdings on the North Slope. The new, more favorable royalties led to development of a new oil field, along with work for Veco and other Alaska contractors building production modules under the agreement.

John Shively, Knowles' commissioner of natural resources, said the provisions for local hire and local construction got their big push in the Legislature. Union-backed Democrats joined in amending and approving the revised contract. Critics questioned the wisdom of the deal, but a few — including former legislator and longtime Veco opponent Ray Metcalfe, who brought a lawsuit in state court — also alleged that Knowles had pushed the change as a favor to political contributors Veco and BP.

"It was 'Here's the money, there's the deal,'" said Metcalfe, who has renewed his charges this year.

Knowles continues to defend the Northstar agreement, saying it removed long-standing obstacles to development and received lots of review, from the public, the Legislature and the courts. And, in his defense, he said he's long supported campaign finance reform as a way to reduce the influence of money in politics.

The Northstar criticism was picked up by Knowles' Republican opponent, Lindauer, in the 1998 governor's race. Lindauer, who was eventually disowned by his own party in a fundraising scandal, charged in television commercials that Knowles had gone easy on Northstar to please Veco. Veco wound up suing Lindauer for defamation.

The suggestion that Knowles was rewarding Veco has a certain irony, says pollster Hellenenthal.

"Tony has a long reputation of not paying off his contributors," Hellenenthal said, meaning it as a negative. "People have been grumbling for years that they don't get the return on investment that they want."

In his last years as governor, Knowles sparred more frequently with Veco. The company was one of the main lobbying forces for a state-funded private prison; Knowles helped block it. Allen lobbied personally for a local property tax exemption to help jump-start gas line construction; Knowles declared that the Veco-backed bill was too generous to oil companies, and it failed.

By 2002 the luster was lost. The Voice of the Times declared Alaska's economy was more sagging than soaring after the Knowles-Ulmer years. Two years later, in the run for U.S. Senate, the Times said electing Knowles would be a "tragic blunder." Knowles got no Veco money.

Thayer, the longtime Republican who served as campaign finance chairman for Lisa Murkowski in that race, has now moved from John Binkley to Knowles in the governor's race because he thinks Knowles is most likely to reach a gas line deal with the oil industry. Thayer, an Enstar Natural Gas Co. executive, still sees Knowles' past effort to work with Allen as a positive thing. But he knows better than most that any honeymoon was long over. As Murkowski's finance chairman, he collected more than \$41,000 from Veco employees to beat Knowles.

"Obviously, their relationship had changed," Thayer said.

■ Daily News reporter Tom Kizla can be reached at tkizla@adn.com.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 10/06/2006
Edition: FRIDAYTitle: VECO HAS ALWAYS SUPPORTED
CHARITY; WHAT ARE THOSE
PEOPLE SAYING NOW?

Character:

or

Classification: 194A-AN-13620-M

Submitting Office: Anchorage

Indexing:

10/6/06
**Veco has always supported charity;
what are those people saying now?**

I was pleased to see a letter commending Veco and others for supporting the American Heart Association's cause. ("Veco, other teams; participated in the newsworthy Heart Walk," Sept. 18). There ought to be an outpouring of letters from nonprofits on causes that Veco is always first up to bat to support.

Years ago I spearheaded a fundraising project for the Red Cross. Veco's Bill Allen offered his and his staff's full support. The Red Cross should remember that. And I've been involved on behalf of the Armed Services YMCA on numerous efforts affecting the needs of the military and their dependents. Veco never let us down.

Where's the payback support for Allen, and Veco's Pete Leathard and Rick Smith? And who will support our pro-development candidates now? And where will the jobs come from when industry says it's had enough?

If candidates are so sanctimonious they're returning Veco's contributions, they won't have to worry about bucks from ol' Barb. I usually find cause to send them e-mails telling them to wake up and smell the coffee. I wouldn't want them to feel "compromised" if they listened to me. But there's probably no worry about that, huh? Listening to constituents, I mean.

194A-AN-13620-P1010

—Barbara Mee
Anchorage

FBI - Stevens-586

(Mount Clipping in Space Below)

FBI looks at more than Veco

■ **INQUIRY:** Officials show interest in a developer and the Department of Corrections.

By **LISA DEMER**
Anchorage Daily News

When FBI agents searched the Wasilla office of Rep. Vic Kohring on Aug. 31, they weren't just looking for documents related to Veco Corp., its executives and ties to lawmakers. They also wanted information about developer Marc Marlow as well as the state Department of Corrections.

That element of the ongoing FBI investigation emerged last week when Kohring's attorney, Wayne Anthony Ross, provided a copy of the search warrant to the Daily News, along with the list of items taken. Those documents, though lacking detail or context, suggest that the probe is wide-ranging and not focused on any one company, issue or individual.

No one has been charged in the investigation, and federal authorities have declined to discuss it except to say that it continues. The lead prosecutors are from the Department of Justice's Public Integrity Section in Washington, D.C., which often handles government corruption cases.

In all, offices of six lawmakers have been searched, along with Veco offices and additional undisclosed locations. Other lawmakers whose offices weren't searched have said they were interviewed by the FBI.



Rep. Vic Kohring is one of several lawmakers who have hired attorneys.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 10/09/2006
Edition: MONDAY

Title: FBI LOOKS AT MORE
THAN VECO

Character:
or

Classification: 194A-AN-13620-M
Submitting Office: Anchorage

Indexing:

Kohring, a Republican, is not the only Alaska lawmaker who hired an attorney within days of the search.

Senate President Ben Stevens, R-Anchorage, has hired a prominent Seattle criminal defense lawyer, John Wolfe.

Wolfe, who declined to comment last week, has been named as one of Seattle's top criminal defense lawyers by Seattle Magazine. He's represented the famous and the infamous, from Seattle Seahawks players and judges to strip club owners and a pawnshop associate.

194A-AN-13620-Press *See Back Page, FBI*

FBI - Stevens-587

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 10/14/2006
Edition: SATURDAYTitle: METCALFE SAYS VECO
MONEY SHOULD BE RETURNEDCharacter:
orClassification: 194A-AN-13620-M - 298
Submitting Office: Anchorage

Indexing:

Metcalfe says Veco money should be returned

■ **DONATIONS: GOP,**
Democrats are at odds
over \$25,000 in funding.

By DON HUNTER,
Anchorage Daily News

The chairman of the Alaska Democratic Party says his Republican counterpart should return \$25,000 in party donations from Veco Corp. executives mentioned in federal search warrants served on several Alaska legislators.

"The public deserves to know that Republican candidates won't receive money from corporate executives who've been identified in a federal investigation, Demo-



*"It's our position
that is tainted money."*

— Democratic party chairman Jake Metcalfe
on Veco donations from three executives

cratic party chairman Jake Metcalfe said in a press release issued this week.

Alaska Republican Party chairman Randy Ruedrich said party officials have set aside the Veco contributions and won't spend the money this year. But Ruedrich

said he has no plans to return the donations.

"We looked into this matter and first of all these are fully legal contributions received from Alaska citizens who have not been found guilty of anything," Ruedrich said. "We will segregate those funds

until this matter is resolved, and I fully expect to use those funds in future years to beat Democrats."

In an interview Friday, Metcalfe targeted Veco donations from company president Peter Leathard, vice president Rick Smith and chief financial officer Roger Chan. Democrats aren't calling for Ruedrich to return contributions from other Veco executives or employees whose names were not mentioned in search warrants. "It's our position that is tainted money," Metcalfe said.

Some individual Republican candidates have returned contri-

See Page B-2, DONATIONS

FBI - Stevens-588

FBI: Lawmakers have hired lawyers

Continued from A-1

He has worked in Alaska, representing a former Doyon Drilling Inc. worker who pleaded guilty in 1998 to concealing the dumping of hazardous materials on the North Slope.

"I think it's probably fair to assume that everybody's lawyered up," said Kevin Fitzgerald, an Anchorage defense attorney representing another of the legislators, though he wouldn't say which one.

Fitzgerald was part of the team that earlier this year won not-guilty verdicts in the federal rocket launcher case in Anchorage involving Security Aviation. The other lead defense lawyers in that case — Paul Stockler and former U.S. Attorney Bob Bundy — also are representing separate parties in the new FBI investigation, though they wouldn't say whom, either.

Hiring an attorney is a common practice in criminal investigations even for people who don't believe they are targets. For instance, individuals may want a lawyer to talk to prosecutors about the status of an investigation, to recover evidence taken in searches or to advise them on whether to talk and what to say.

Efforts to reach Kohring on Friday were unsuccessful, but in the past he has said he's cooperating in the investigation, is not a target and has been careful to follow all ethics rules.

Ross said he doesn't see that Kohring has done anything wrong.

"He asked me to advise him what the procedures mean and just make sure he doesn't step on his nose. He was told that he's not a suspect and of course I told him that, to be real honest with you, you can't always believe what you are told," Ross said, adding that he didn't expect any criminal charges against Kohring.

According to an FBI receipt for the property, agents took a folder with information on Marlow, phone message books, a Gateway computer from Kohring's office, fundraising notes — which Ross said were essentially required campaign reports to the state — a box of canceled checks, a thank-you note from Veco, bank statements, bills and an unexplained "business application and dividend papers."

"It doesn't look like anything there, any smoking guns or anything," Ross said.

Kohring and Marlow have known each other for years. Marlow hired him in 2004, according to disclosure statements that Kohring was required to file as a legislator. He reported income of \$5,400 from Marlow that year and \$38,100 in 2005. Kohring continues to provide "business services" for Marlow, arranging and conducting meetings, performing research and developing plans and strategies, Kohring said in an e-mail to the Daily News last month. Marlow has said that Kohring was helping him with plans to build a power plant in the Mat-Su, and Kohring has said he worked on a total of about six projects.

Reached on the telephone Friday, Marlow said he had no idea why the FBI would be interested in his relationship with Kohring. The FBI hasn't interviewed him or searched his offices, he said.

The FBI investigation at a glance

What's known:

- Dozens of FBI agents executed about two dozen search warrants Aug. 31 and Sept. 1, though in some cases individuals agreed to the search.
- Six legislative offices were searched, and so was Veco Corp. Searches were conducted in Anchorage, Juneau, Eagle River, Wasilla, Willow and Girdwood. The office of Senate President Ben Stevens was then searched a second time, on Sept. 18.
- One search warrant, provided by Sen. Donny Olson, said the FBI was looking for "any and all documents" related to Veco, four of its executives and two political pollsters, as well as information on Olson Air Service, among other matters. When agents searched Stevens' office, they seized materials related to

controversial fisheries organizations. In the search of Rep. Vic Kohring's office, agents also sought information on developer Marc Marlow and on the state Department of Corrections.

- The lead prosecutors on the case are from the Justice Department's Public Integrity Section in Washington, D.C., which handles public corruption cases.
- No one has been charged.

What's not known:

- Perhaps the biggest of the many unanswered questions is this: Who or what is being targeted?
- Authorities also won't say how many FBI agents or prosecutors are working on the investigation, when it began, when it might end or how they are proceeding. — 589

Kohring agreed to the search of his office, but the agents came prepared with a warrant that sought, among other things, any documents concerning relationships, correspondence, giving or receiving "things of value of any nature," or acts or failures to act that involved Veco executives Bill Allen, Richard Smith, Peter Leathard, Roger Chan, Veco itself, The Petroleum Club, pollster David Dittman, pollster Marc Hellenthal and Marlow.

"Cool. I made the list," Marlow joked. "What a crowd to be associated with."

The warrant also sought all correspondence between Kohring and the Alaska Department of Corrections. Ross said Kohring was questioned by the FBI about efforts to build a private prison in Whittier.

"He indicated it was a facility that Cornell was hoping to build in the past and that's apparently all they asked about that," Ross said. Cornell Cos. had teamed with Veco in the private prison endeavor, which ultimately died last year after the city of Whittier dropped its support.

Along with those of Kohring and Stevens, FBI agents searched offices of Sen. John Cowdery, R-Anchorage; Sen. Donny Olson, D-Nome; Rep. Pete Kott, R-Eagle River; and Rep. Bruce Weyhrauch, R-Juneau. Messages left for them were not returned. Kohring is the only one of the six still facing an election battle in November. Kott lost in the primary, Stevens and Weyhrauch aren't running again and the others aren't up this year.

Much of the wording on the Kohring search warrant is identical to the language on one provided by Olson's office the day after the search. Both are five pages long. In the warrants, agents sought documents concerning "any thing of value" provided by Allen, the Veco chief executive officer; Smith, a Veco vice president; or Veco itself to any public official. Agents were also looking for documents concerning the creation of a natural gas pipeline or the new petroleum production tax. They wanted financial documents related to the legislator, including bank records, wire transfers and credit card statements. They want-

ed to search computers, too. But where agents sought information on Marlow and the Department of Corrections from Kohring, they wanted documents on Olson Air Service including any payments or storage fees related to aircraft from Olson, a doctor who owns a flying service.

None of the other legislators provided warrants in response to requests from the Daily News.

Stevens' legislative office is the only one searched twice, according to the FBI. In a letter to the Daily News last month, the Anchorage Republican said he agreed to both searches but had been advised not to answer questions. He didn't provide the warrant, but his letter listed what was taken by the FBI.

Many of the items hauled away were seemingly innocuous public records such as presentations on the new petroleum profits tax and a copy of the state legislative handbook. But the materials also included letters from Stevens regarding the Alaska Fisheries Marketing Board, which he had headed since its creation by his father, U.S. Sen. Ted Stevens, until he resigned earlier this year. The board provided federal grants totaling between \$5 million to \$10 million a year to companies to promote Alaska seafood. At least three of the grant beneficiaries paid consulting fees to Ben Stevens.

The FBI also took "unknown documents" of Ted Stevens with a June 5 cover page and a Jan. 23 faxed letter to "T. Stevens."

Ted Stevens has repeatedly declined to comment and last month explained why in an e-mail sent through his spokesman.

"I understand the public's interest in the investigation. It has always been my practice to not comment on such matters to avoid even the appearance that I might influence the investigation. That is especially important in this case where records have been obtained from a number of legislators, including my son Ben. Therefore, I am withholding comment about this matter and will not discuss it," Stevens said in the Sept. 27 e-mail.

■ Daily News reporter Usa Demer can be reached at ldemer@adn.com and 257-4390.

Continued from B-1

butions from Veco executives, and some others have said they are segregating the contributions, as Ruedrich said the party is doing.

FBI agents searched the offices of at least a half-dozen state lawmakers, Veco's corporate headquarters in the Frontier Building, and The Petroleum Club, among other locations, in a series of raids that began Aug. 31. No one has been charged in the investigation and federal authorities have refused to discuss it. The lead attorneys are with the Department of Justice's Public Integrity Section in Washington, D.C., which often handles government corruption cases.

■ Daily News reporter Don Hunter can be reached at dhunter@adn.com.

FBI - Stevens-590

(Mount Clipping in Space Below)

Kohring's work for developer criticized, defended

■ **TAX BREAK:** Legislator lobbied him on behalf of Marlow, borough mayor says.

By LISA DEMER
Anchorage Daily News

Last year, state Rep. Vic Kohring sat down with the mayor of the Fairbanks North Star Borough, Jim Whitaker, to talk about changing a state law to increase a tax break for an Anchorage-based developer.

Kohring, a Wasilla Republican, wasn't there to represent a constituent. He was on the payroll of the develop-

er, Marc Marlow, for whom he had been working since November 2004.

To Whitaker, himself a former legislator, Kohring was acting like a lobbyist, not a lawmaker.

The Fairbanks borough had already approved a tax break for Marlow should he buy and renovate the Polaris Hotel, a boarded-up derelict building that is to Fairbanks what the old MacKay Building was to Anchorage.

But in the meeting in Whitaker's office on Nov. 3, Kohring wanted to see if the borough would agree to a change in state law to make the tax break even more

beneficial to Marlow, according to Whitaker.

"As far as I could tell, he was functioning as a lobbyist, and lobbyists do that all the time," said Whitaker, who served alongside Kohring from 1999 to 2003 as part of the Republican majority in the state House. "I thought it was inappropriate."

The bill was eventually introduced in the Alaska Legislature by Fairbanks Rep. Jay Ramras, who said he was asked by Kohring to advance the legislation. Marlow said in an interview recently that he drafted



Kohring



Marlow

See Back Page, KOHRING

194A-AN-13620-Press

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 10/21/2006
Edition: SATURDAY

Title: KOHRING'S WORK FOR DEVELOPER
CRITICIZED, DEFENDED

Character:

or

Classification: 194A-AN-13620-M - 299

Submitting Office: Anchorage

Indexing:

FBI - Stevens-591

KOHRING: Part-time lawmaker says taking on other work

FBI - Stevens-592

Continued from A-1

the bill.

"I wrote the original language," Marlow said.

TWO-YEAR RELATIONSHIP

Kohring has worked on a half-dozen projects for Marlow since being hired by him in 2004. Several of the projects, including a proposed electrical generating plant in the Mat-Su, are subject to government approvals.

Now their relationship is coming under new scrutiny as part of an FBI investigation into legislators, influence peddling and the oil field service and construction company Veco Corp.

Kohring is one of six Alaska legislators whose offices were searched by the FBI on Aug. 31. Agents took a folder of information on Marlow along with other items, according to a copy of the receipt for property provided by Kohring's attorney.

No one has been charged with a crime. The FBI has said the investigation is continuing.

Kohring, 48, is a Republican seeking his seventh term representing the Wasilla area. He rode the wave of conservatism that swept through the Mat-Su Borough in the 1990s. He is among a handful of state lawmakers who have found work with companies that have business before the Legislature or state agencies. Kohring's business, Vic Kohring Enterprises, has one client, Marlow, according to required financial disclosures. Marlow paid him \$38,100 last year and \$5,400 in 2004. Kohring won't have to disclose his 2006 income until March, but he said in an e-mail that his pay from Marlow has dropped because he's taking time off for campaigning.

Kohring says he's abiding by all the ethics rules for legislators.

Outside employment is to be expected for part-time legislators, he wrote in one of several e-mails to the Daily News.

"I trust the voter's judgment to evaluate my activities and my constituents are the ultimate judge," Kohring wrote. "I firmly believe I have never compromised my obligations to them or the state because of my personal employment."

The alternative, he said, is either full-time legislators or "those who are rich or retired."

Kohring declined to sit for an interview and answer detailed questions about his relationship with Marlow.

Kohring, who had a drywall business until back surgery four years ago, says he's qualified for his job with Marlow regardless of his role as legislator. He has a master's degree in business administration from Alaska Pacific University and served stints as vice chair-



SAM NARREL / Fairbanks Daily News-Miner

Rep. Vic Kohring sought a tax break on the Polaris building in Fairbanks.

Bills helping Marlow

State Rep. Vic Kohring has sponsored two bills that benefited developer Marc Marlow and, after he began working directly for Marlow, asked another legislator to sponsor a third. The bills are:

- **HB 389:** Sponsored by Kohring in 2002 to extend an existing state law allowing tax breaks to developers of deteriorated properties. Without the legislation, the opportunity for such tax breaks would have expired July 1, 2002. The bill passed, extending the tax breaks to 2006.

- **HB 97:** Sponsored by Kohring in 2003. Would have allowed Marlow to extend a lease of Alaska Railroad land on Government Hill from 55 to 75 years. Passed the House but stalled in the Senate.

- **HB 334:** Sponsored by Fairbanks Rep. Jay Ramras this year at the request of Kohring, who said he couldn't sponsor it himself because he was being paid by Marlow. Bill concerned tax breaks to developers of deteriorated properties. Marlow wanted to specify that deferred taxes only came due when the property sold. Bill passed, says that the taxes will be due as specified by the municipality. Also eliminated the expiration date.

man of the board of the Alaska Housing Finance Corp. and chairman of the Wasilla Planning Commission.

'GOOD HORSE SENSE'

Marlow said he hired Kohring because of his "good horse sense," work ethic and contacts in the Valley from spending his adult life there — not because he's a legislator.

"There's not a lot of hand holding for him to get things done and analyze

situations and figure out ways around roadblocks and that sort of thing," Marlow said. "The things I have him working on primarily are controlled by the state or a public utility."

Marlow, 49, has a knack for projects supported by tax breaks, grants and government-backed loans. The Oregon native came to Anchorage in 1983 as an electrical contractor. He soon branched out.

Marlow rescued the old MacKay building in downtown Anchorage after it had sat empty and ugly for nearly a quarter century and reopened it this year as a fashionable apartment house, McKinley Tower. A city property tax break, plus government loans and guarantees, made it possible. Over the past decade, he's developed a dozen low-income senior housing projects in Alaska with federal grants. He's a part owner of the old Knik Arm Power Plant on Ship Creek and plans to seek a property tax break once he firms up plans to get it running again.

Marlow said there's nothing wrong with hiring a legislator. He's known Kohring since about 1991, three years before Kohring was first elected to the House.

"The rules don't preclude it from happening, and the rules have been followed to the letter," Marlow said. "So if somebody has a problem with it, then they need to change the rules. They don't need to attack the people that are following the rules."

Marlow sounded offended that anyone would take issue with a lawmaker working for a developer and linked his situation to that of an oppressed minority.

"Some people don't like Muslims either or black people or homosexuals, but it doesn't make them right," Marlow said. Asked what that had to do with his situation with Kohring, Marlow said, "There's all kinds of different prejudices or people's different reasons for not liking one thing or another."

In 2002, a couple of years before he started working for Marlow, Kohring sponsored a bill to extend an existing state law allowing tax breaks to developers of deteriorated properties. Without the legislation, the opportunity for such tax breaks would have expired that July 1. The bill passed.

The next year, Kohring introduced a bill sought by Marlow to extend a lease for Alaska Railroad land on Government Hill from 55 to 75 years. The longer lease was necessary, Marlow testified, so a senior housing project proposed for the site would qualify for a government grant. The bill passed the House but stalled in a Senate committee.

In November 2004, Kohring started working for Marlow. He estimates he

worked 800 hours last year on meetings, making phone calls, developing plans and conducting research on about a half-dozen projects.

In late 2005, Kohring called then-Anchorage municipal attorney Fred Boness on behalf of Marlow. At issue was an untried tax mechanism that Marlow hoped to use to pay for water and sewer lines on land in South Anchorage, around Minnesota Drive and C Street. Boness said he told Marlow the mechanism wouldn't work in Anchorage.

The concept, provided for in state law, is almost a "chicken and egg thing," said the municipality's chief fiscal officer, Jeff Sinn. A local government would issue revenue bonds to pay for improvements that are then repaid through higher taxes generated by the new development.

Asked what he wanted Kohring to accomplish for him, Marlow denied that the legislator ever worked for him on that project.

Kohring also said he didn't remember doing anything regarding any South Anchorage project.

But Boness said in an e-mail to the Daily News that Kohring contacted him for an explanation. He figured Kohring was making the kind of inquiry a legislator would typically make to find out why a law didn't work. Boness said he doesn't recall Kohring disclosing he was on Marlow's payroll.

On Dec. 29, Boness sent a detailed e-mail to Kohring explaining why the tax mechanism wouldn't work even though state law provided for it. Boness referred to Marlow three times in the e-mail. The short answer is that in Anchorage, property taxes are designated for specific services; police taxes shouldn't be used for sewer lines.

FOCUS ON POLARIS BUILDING

In Fairbanks, the tax break at issue was for the infamous Polaris building. The old hotel is Fairbanks' tallest building, but it's been empty for years, a boarded-up embarrassment across the street from the new courthouse.

Marlow doesn't own the Polaris but said he's looking to buy it — if the finances work out. He said his option has run out; talks continue.

The tax break approved by the Fairbanks borough in September 2005 exempted all but \$10,000 a year in property taxes for 10 years and deferred normal property taxes for the five years after that.

Marlow thought he wouldn't have to pay the deferred taxes unless he sold the property. The borough expected the taxes when those five years were up, or when the property sold — whichever happened first.

In stepped Kohring, said Whitaker, the borough mayor. Kohring made

Whitaker said, Kohring wanted to know whether the borough would agree with a change in state law to match Marlow's view. His answer, Whitaker said, was no — not if it meant the deferred taxes didn't come in as expected.

Kohring then approached Ramras, R-Fairbanks, and asked him to sponsor the legislation. The Polaris is in Ramras' district.

Why not just sponsor the bill yourself? Ramras recalled asking him. He couldn't, because he had taken consulting fees from Marlow, Ramras said that Kohring told him.

"I further informed Jay that even though the rules would have allowed me to draft and file a bill, I had made a personal decision to limit my involvement with any legislation," Kohring wrote to the Daily News in an Oct. 15 e-mail.

Ramras said he was glad to sponsor the bill if it helped bring back to life the once glamorous hotel. He said he tried to keep his distance from Marlow and told him not to send a card, a campaign donation or anything else.

Fairbanks officials say the bill that passed doesn't provide as lucrative a tax break as Marlow wanted, allowing the taxes to be deferred until the building sells. Marlow insists it does. The final wording says the due date will be as specified by the municipality. The bill also eliminated the expiration date for the law.

On the House floor April 5 and again May 9, Kohring asked to be excused from voting on the measure because he worked for a developer who could benefit. He was directed to vote anyway, standard when conflicts are declared in the Legislature.

Just recently, Marlow said the legislation didn't even benefit him. On Oct. 9, Marlow battled talk radio host Dan Fagan over the issue. The exchange on KFQD went like this:

Marlow: "You said on the radio that I was going to have a direct benefit by the legislation, which is not true."

Fagan: "So that legislation did not in any way save you any money?"

Marlow: "Absolutely not one dime. All that legislation did is set up a situation in Fairbanks wherein the Polaris building could be renovated like the McKinley (the old MacKay) building was ..."

But as the 10-minute duel ran its course, Marlow admitted that he needed the legislation to even consider buying the building.

"You just made my point!" Fagan exclaimed.

■ Daily News reporter Lisa Demar can be reached at ldemar@adn.com and 257-4390.

(Mount Clipping in Space Below)

Running for office got tricky this year

■ **POLITICAL MINEFIELD:** FBI investigation, ethics rules and gas pipeline cloud the horizon.

By MATT VOLZ
The Associated Press

JUNEAU — Facts are hard to come by in the ongoing federal investigation into corruption in Alaska politics, but it has still managed to change the political landscape in the campaign for the Nov. 7 election.

Candidates are wary about the sources of their donations. Ethics is now a staple issue in every campaign. And voters who otherwise may have dozed through another mid-term election have perked up.

"There's a lot of people that took more notice because of this," said Chris Thomas, a 24-year-old state employee living in Juneau. "There are scandals all across the United States and then something hit home locally. It was like a surge to go out and at least vote."

At the end of August, just after the primary election, the offices of six Alaska legislators were raided by federal agents. One of the search warrants said investigators were looking for financial ties between the lawmakers and the oil field services company Veco Corp. Among the items agents were looking for: caps and clothing with the phrase "Corrupt Bastards Club."

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 10/30/2006
Edition: MONDAY

Title: RUNNING FOR OFFICE GOT TRICKY THIS YEAR

Character:
or

Classification: 194A-AN-13620-M
Submitting Office: Anchorage

-300

Indexing:

No indictments have been handed down and no charges of wrongdoing have been levied against those legislators. FBI agents and Department of Justice officials have been silent on the investigation ever since the raids.

The Veco executives named in the warrant — chief executive Bill Allen, president Peter Leathard, executive vice president Roger Chan and vice president Rick Smith — are regularly among the top individual donors for Republican candidates.

Not this year. Candidates for governor and the Legislature have sworn off Veco money for fear of being touched by scandal. Several who had already taken money have returned it.

That has left something of a void in Republican Party coffers, but one that was

FBI - Stevens-593

ELECTION: *Candidates campaigning carefully*

Continued from B-1

quickly filled by retirees and other oil industry service workers, state GOP chief Randy Ruedrich said.

"When people say, 'I'm not going to take a contribution or return a contribution,' it makes people more creative or resourceful in how they reach out to folks," Ruedrich said. "We have seen donors involved that have not necessarily been involved or very active in '02 and '04."

Ruedrich said the state Republican Party has not taken any Veco cash, either, but only because those executives have not donated.

"They have been neither indicted nor convicted, so it's totally inappropriate to characterize their funds in any way," Ruedrich said.

When it comes to the issues, the big topic of the election — a North Slope natural gas pipeline — had to make room for a sudden flood of ethics stances and proposals. gubernatorial candidates Sarah Palin and Tony Knowles each proclaimed being "squeaky clean" and pledged action upon taking office.

Knowles says he will sign an executive order his first day "requiring all executive

branch employees to follow the highest ethical standards" and to disclose potential conflicts. Palin said she is committed to making government more transparent and dispelling the atmosphere of distrust.

At the legislative level, Democratic lawmakers wagged their fingers at the Republican majority for stopping their revisions to state ethics laws for the past two years. Hopeful candidates have seized upon the issue in their campaign ads, such as Democrat Mike Doogan, a former newspaper columnist running for Anchorage House District 25 against Republican Thomas Lamb.

"Whether crimes were committed really isn't the point. Our lawmakers should be in the center of the ethical playing field, not skulking around the sidelines, or worse, completely out of bounds," Doogan says in one radio spot.

Independent gubernatorial candidate Andrew Halcro said he believes the biggest impact of the FBI raids is on a voting public already skeptical of state government from scandals past.

"The biggest impact on the public's per-

ception is that government is broken," Halcro said.

But will that perception change how Alaskans vote on Nov. 7? If a sample of Juneau voters heading to the polls to cast absentee ballots is any indication, probably not.

Thomas, the 24-year-old state worker, is a registered Democrat. He said the ethics cloud gave him another reason to vote, but it didn't change how he was going to vote.

"For me, it was just a reconfirmation of everything I always knew about the people I don't want to vote for," Thomas said.

Joe Kyle and Larry Cotter, registered Republicans and executives with the Aleutian Pribilof Island Community Development Association, have kept up with the news reports but also said the news changed nothing for them at the polls.

Kyle, 57, said he would like to see more disclosure requirements of public officials. But the way he sees it, ethical foibles in politics are a part of human nature.

"I'm not looking for any great pieces of legislation to make people stop being human beings," Kyle said.

(Mount Clipping in Space Below)

194A-AN-13620-
Press

District 14 draws strong candidates

■ **HOUSE:** Republicans
dominate in Wasilla;
Hurley has a stellar history.

By **ZAZ HOLLANDER**
Anchorage Daily News

WASILLA — State Rep. Vic Kohring is the only legislator up for re-election Tuesday whose office was among those searched in August by federal agents investigating potentially corrupt ties between lawmakers and oil field service company Veco.

That investigation also drew attention to Kohring's three-year job with Anchorage developer Marc Marlow, making him one of a handful of lawmakers fielding ethical questions about his work as a consultant.

The six-term legislator's challenger is a heroine of Alaska's Democratic Party, Katie Hurley, at 85 a senior stateswoman with a sterling reputation nicknamed the "Mother of Alaska's Constitution."

See Page B-2, DISTRICT 14

(Indicate page, name of B-1
newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 11/04/2006
Edition: SATURDAY

Title: DISTRICT 14 DRAWS STRONG
CANDIDATES

Character:

or

Classification: 194A-AN-13620-M -301
Submitting Office: Anchorage

Indexing:

FBI - Stevens-595

DISTRICT 14: Despite Veco ties, Kohring has a good chance in Wasilla

Continued from B-1

Yet Kohring is still viewed by many as a shoo-in.

"It's a foregone conclusion," said Anchorage pollster Ivan Moore, who isn't working for either candidate. "Obviously, Katie Hurley is an enormously credible candidate, but she's a Democrat in an extremely Republican district."

Registered Republicans in District 14 — encompassing much of greater Wasilla — outnumber Democrats by roughly 3 to 1. Nonpartisan and undeclared voters do outnumber the Republicans, but for Hurley to pull out a win she would need "landslide territory" of 65 percent of those non-party voters, according to Moore's math.

Pollster David Dittman — who donated \$100 to Kohring's campaign but isn't working for him — agreed that the Republican will prevail. Kohring made his name as a small-government crusader with a reputation for dogged door-to-door campaigning.

And Alaska's FBI investigation lacks the smoking guns that have fueled national ethics scandals surrounding videotaped bribe taking or illicit text messages to underage pages, Dittman said.

Anyway, his polling for the Palin campaign over the summer revealed the proposed natural gas pipeline as the top issue for Alaska voters, followed by education and jobs, he said. "You know, ethics is pretty far down the list."

Nonetheless, there are a few who think Hurley might pull it off.

In early October, Anchorage pollster and researcher Jean Craciun predicted a possible win for Hurley, based on Kohring's role in the FBI investigation as well as the political bounce from a wave of moderate, female Wasilla voters turning out behind Sarah Palin in her bid for governor.

Then, on Oct. 20, Kohring a small group of Hurley supporters led by Valley activist Michael Janecek and his wife, Gayle, formed a new special interest group, Citizens for Ethical Government and Against Vic Kohring.

Anchorage resident Vic Fischer, a former state senator who served in the Alaska Constitutional Convention, said he decided to join the anti-Kohring group to help Hurley because he thinks she can win. And because he wants Kohring out.

"I will try to put this as nice as I can," Fischer said. "I have not had much respect for Vic Kohring as legislator in terms of public policy issues and leadership. ... Katie has a chance and I think this is a time when ethics and corruption are issues before the public that need to be dealt with."

Asked in an earlier interview if the FBI investigation put him at a disadvantage, Kohring said, "I don't see that this is even a campaign issue."

He bristles when his job with Marlow is described as consulting. Kohring said he "provides business services" and defined consulting as "providing advice for somebody."

He said he earned \$38,000 from Marlow last year, working about 800 hours on various projects, including a coal-fired plant for the Mat-Su at Point MacKenzie.

Visiting Fairbanks last year to help Marlow renovate the old Polaris building there, Kohring met with Fairbanks North Star Borough Mayor Jim Whitaker, who later said he assumed that he was meeting with a legislator, not a paid lobbyist.

In September, Mat-Su port director Marc Van Dongen also said he was under the impression Kohring was calling as a legislator during a brief telephone conversation about the power plant. Kohring was working for Marlow at the time, and later said he made that clear to Van Dongen.

In an interview last month, Hurley changed the subject when asked about the FBI investigation.

"I'm running a positive campaign," she said. "I'm just talking about myself and what I believe is good for the state. I hope the public can see the dif-

ference."

She did, however, have a comment about the Marlow relationship, saying, "I think it's a real conflict of interest. ... Everyone should insist that politicians fully disclose any kind of relationship they have with people who are looking for special legislation."

Hurley agreed to replace candidate Neal Lacy after he dropped out of the District 14 race in mid-August to take a job with the Alaska Department of Fish and Game.

Hurley served as chief clerk at the Alaska Constitutional Convention in the 1950s, was elected to one term in the House in the 1980s and served on a variety of boards including as president of the state school board for seven years.

Kohring cited as his proudest achievement a 1999 law that merged two state departments into the Department of Commerce and Economic Development.

Last session, he sponsored at least two bills that became law: One allotted \$1.3 million to Arctic Power to push for oil drilling in the Arctic National Wildlife Refuge; the other extended the termination date for the State Board of Registration for Architects, Engineers, and Land Surveyors. Another, failed bill would have declared Feb. 6 Ronald Reagan Day.

Neither candidate supports preserving the gas line deal struck with oil

and gas producers by Gov. Frank Murkowski, for different reasons. Kohring would rather see the private sector back the project; Hurley faults the governor's promise to lock in tax levels for 30 years.

Kohring supports construction of the Knik Arm Crossing and Ketchikan bridge project. Hurley opposes both.

Both candidates favor the reinstatement of state revenue sharing programs to lower property taxes.

Asked what legislation they would start work on upon arriving in Juneau, Hurley said she would draw up a bill to reinstate revenue sharing, confer with experts on the education funding formula, and strengthen ethics rules.

Kohring said he would focus on increasing the senior citizen property tax exemption.

As of the end of October, Hurley had raised nearly \$30,000 since early September, much of it from more than 250 individual contributors and \$2,000 from the Alaska Public Employees Association political action committee.

Kohring had raised nearly \$75,000 since last year, including \$6,000 from Veco executives and \$3,000 from Alaska Physicians and Surgeons Inc., a political action committee.

■ Reporter Zaz Hollander can be reached at the Daily News Wasilla office at zhollander@adn.com or 1-907-352-6711.



GOLD WARS

B

Two companies are in a bloody battle for one of Alaska's top gold-mine prospects, with accusations of lies, deceit and unlawful behavior.

Today in Money, Page E-1

ALASKA

SECTION 1

ANCHORAGE DAILY NEWS • www.adn.com

★ SATURDAY, NOVEMBER 4, 2006

City beats auctioneer to 29 acres

■ MULDOON PROPERTY:

Acreage at end of DeBarr Road cost \$5 million.

By ROSEMARY SHINOHARA
Anchorage Daily News

The city successfully nabbed a strip of Muldoon land that had been owned by alleged drug smugglers, closing a deal to buy the property just before it was to go to auction last week.

As a result, the city now owns 29 acres southeast of where DeBarr Road meets Muldoon Road — a deep, narrow parcel including the old Alaska Greenhouse site.

Originally, the city wanted only the back 12 acres, for a park with sports fields. But just as the city was completing a deal to buy that por-

tion last summer, the federal government moved in to seize the entire 29 acres as part of its drug-dealing investigation. Property owners Tom Cody and Joe Bryant were named in court papers as drug smugglers.

Recently, the U.S. Attorney's office agreed to let the city buy it for \$5 million. The only thing was: it had to buy the whole 29 acres.

The Anchorage Assembly quickly approved an appropriation last month to buy it all. Some of the money was already on hand from a parks bond proposition. The city expects to eventually sell portions of the property it doesn't need, said city real estate director Robin Ward.

Having the whole 29 acres will allow the city to fill in a missing piece of DeBarr, extending the road east across Muldoon to Boston Street,

Ward said. As part of the redevelopment, the city also wants to restore a section of Chester Creek that was moved years ago, to put it closer to its original alignment, she said. The creek will be shifted south.

The city will sell the land fronting Muldoon Road that is classified for commercial use, Ward said. A plan for the middle section, between the commercial frontage and the park, hasn't yet been made, she said.

"It's a key piece of property," Northeast Community Council president Peggy Robinson said of the 29 acres. "Overall, people are pleased" the city got it, she said.

Area residents think the city will be "a bit choosy" about who they sell the commercial property on Muldoon Road to, Robinson said.

"It's better for the city to have

control over it than some developer who wants to put in site condos," said Robinson.

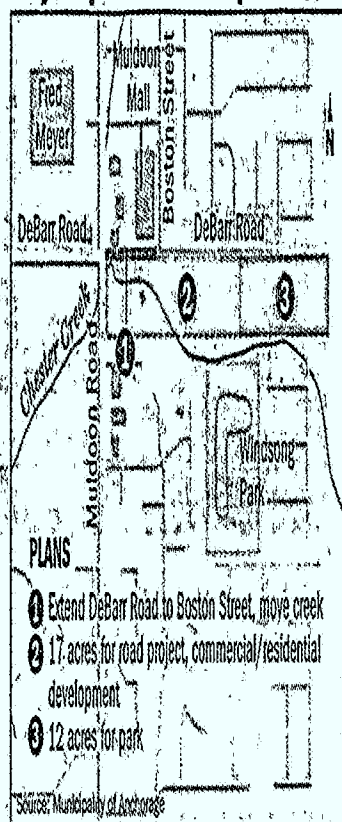
The city had to rush to buy the property before its original owner, Alaska Greenhouse Inc., the estate of Mann Leiser, foreclosed on it.

Cody and Bryant had been unable to make payments. Cody disappeared in 2005. His burned vehicle turned up in a remote part of the Valley. Bryant committed suicide in May 2006.

Documents filed in court after Bryant's death show that federal investigators believe Cody and Bryant were top figures in a multimillion-dollar drug ring that imported marijuana into Alaska.

■ Daily News reporter Rosemary Shinohara can be reached at rshinohara@adn.com or 257-4340.

City acquires 29-acre parcel



Source: Municipality of Anchorage

RON ENGSTROM / Anchorage Daily News

(Mount Clipping in Space Below)

FBI targets corruption in politics

■ **A TOP PRIORITY:** A new director wouldn't balk at sting operations.

By GREG GORDON
McClatchy Newspapers

WASHINGTON — The new chief of the FBI's Criminal Division, which is swamped with public-corruption cases, says the bureau is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress.

Assistant FBI Director James Burrus called the bureau's public-corruption program "a sleeping giant that we've awoken" and predicted that the nation will see continued emphasis in that area "for many, many, many years to come."

So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public-corruption squad to the FBI's Washington field office.

In the past year, former Republican Reps. Duke Cunningham and Bob Ney have pleaded guilty to corruption charges. FBI agents are investigating about a dozen other members of Congress, including up to three senators. Dozens of agents are actively engaged in a massive investigation of illegal influence in the Alaska Legislature.

If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs.

"We look for those opportunities a lot," Burrus said, using words rarely heard at the bureau over the last quarter-century. "I would do it on Capitol Hill. I would do it in any state legislature. ... If we could do an undercover operation, and it would

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 11/06/2006

Edition: MONDAY

Title: FBI TARGETS CORRUPTION
IN POLITICS

Character:

or

Classification: 194A-AN-13620-M - 302

Submitting Office: Anchorage

Indexing:

FBI - Stevens-598

(Continued from A-1)
get me better evidence, I'd do it in a second."

Philip Heymann, who oversaw the Abscam investigation as chief of the Justice Department's Criminal Division during the Carter administration, expressed surprise to learn of the FBI's willingness to attempt another congressional sting after the outcry from Capitol Hill over Abscam.

"It shows courage at the FBI," said Heymann, now a criminal law professor at Harvard University. He said he concluded, after watching a recent public television documentary and listening to experts, that "there is more corruption (on Capitol Hill) than I ever thought imaginable" and that a single FBI sting "might result in very large numbers of prosecutions."

But even without an undercover operation, Heymann and other observers say they have been pleased with the GOP-controlled Justice Department's willingness to pursue old-fashioned investigations, even if they hurt congressional Republicans in Tuesday's elections.

Nationally over the last year, 600 agents worked 2,200 public-corruption cases, resulting in 650 arrests, 1,000 indictments and 800 convictions, Burrus said.

FBI Director Robert Mueller, who listed public corruption as his top criminal investigative priority when he shifted the FBI's focus to terrorism in 2002, said last month that the surge in convictions "sends the message that public corruption will not be tolerated." Despite the realignment, the number of agents working on public corruption has remained constant.

Burrus argued that the FBI is "uniquely qualified" to handle such cases, pointing to the bureau's political independence, exemplified by Mueller's 10-year term. Burrus said that Alice Fisher, the politically appointed chief of the Justice Department's Criminal Division with whom he confers weekly, also has "an aggressive attitude" about pursuing public officials.

"Operation Rainmaker," the FBI's broad investigation of a Washington lobbying ring, has already led to a handful of convictions, including Ney's guilty plea last month. The inquiry was one reason for the resignation last year of House Majority Leader Tom DeLay, R-Texas, who also faces state campaign finance charges. Other investigations seem to be sprouting everywhere.

But Reid Weingarten, a former Abscam prosecutor who now is a high-profile Washington criminal defense lawyer, said he would bet that the flurry of congressional cases has resulted from evidence "falling in their (investigators') laps" rather than a programmed FBI hunt for corruption.

The FBI does appear to be stepping up its use of electronic surveillance and has conducted stings of state politicians. Bureau agents secretly taped Rep. William Jefferson, D-La., before finding \$90,000 in his freezer during a raid last May. Cell phones were wiretapped for four months in an investigation of Rep. Curt Weldon, R-Pa., government sources say.

In "Operation Tennessee Waltz," 10 Tennessee state officials, including five current and former legislators, have been prosecuted in a scheme in which hidden cameras whirled as FBI undercover agents offered payoffs in return for help for a dummy company. Burrus said some targeted Tennessee legislators were moving so quickly that "we were actually having to discuss how we were going to slow it down" so that bills aiding the phony firm didn't become law.

A separate undercover inquiry led to the indictment of three members of San Diego's city council.

In Alaska, the FBI has more than doubled its manpower in a massive investigation of illegal influence in the Alaska Legislature by the international oil-field service company Veco and other businesses. On Aug. 31 and Sept. 1, the FBI conducted two dozen



Burrus

raids and searched the office of

state Sen. Ben Stevens, son of U.S. Sen. Ted Stevens, R-Alaska. No charges have been filed, but the FBI has said the investigation continues.

Burrus declined to discuss any investigation but said the FBI will focus on more state capitals over the next year "because we have seen a trend in cases that leads us to believe there's more out

there."

When he arrived as deputy chief of the criminal division in 2004, he said, field offices frequently told him they had "no idea" how to pursue public-corruption leads. Since then, he said, agents in about 30 of the bureau's 56 field offices have been trained. FBI agents in Washington have studied congressional activities that might

invite bribes, such as hard-to-trace "earmarks" in which members appropriate money

for pet projects and often keep their involvement off the public record.

"Public-corruption cases have to be fished out," he said, noting that crooked politicians tend to do secret deals with one other person and often try to disguise their actions as "for the public's good."

Controversial new legal theories are also helping prosecutors bring cases in which they can't prove outright bribes. A vaguely written 28-word 1988

law, for example, makes it a fraud for a politician to deprive taxpayers of his "honest services." It was among the charges lodged against Cunningham, Ney, former lobbyist Jack Abramoff and the San Diego councilmen.

Burrus said the FBI has to prove "that this person engaged in the activities specifically to receive this stream of benefits and knew that stream of benefits would stop if he did not support these particular projects."

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 11/07/2006
Edition: TUESDAY

Title: WHEN THE FBI SHOWS UP

Character:

or

Classification: 194A-AN-13620-M

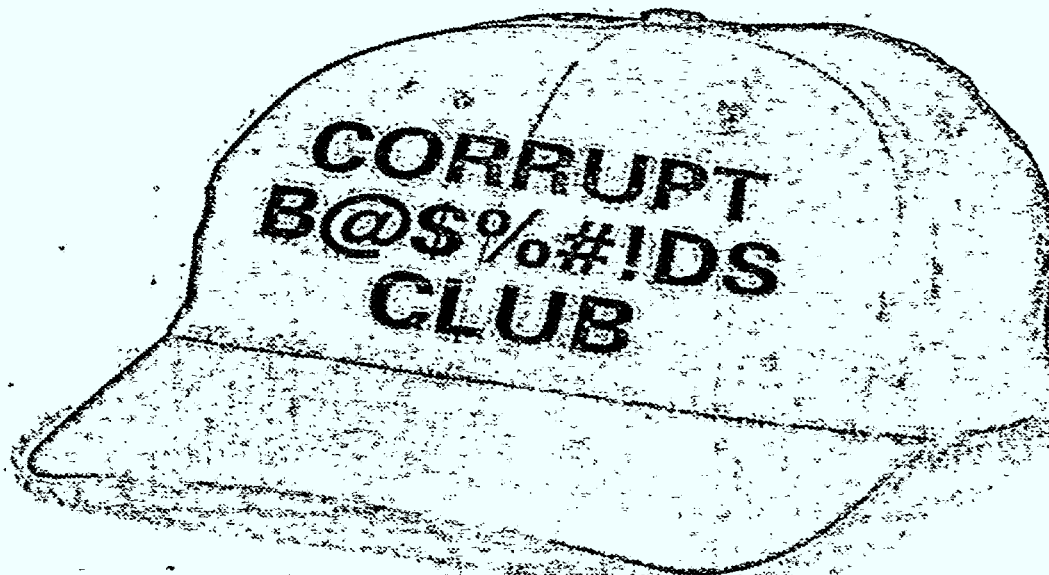
Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-601

When the FBI shows up,



it's no longer funny.

Republicans have failed Alaskans.

It's time for a Better Legislature.

- **VECO & The FBI:** This election the Republican Party took, and kept, \$25,000 from VECO executives named in this summer's FBI search warrants.
- **Ethics Reform:** The Republicans Stopped It. Last year Democrats pushed, and Republicans stopped, needed reforms to stop legislators from taking questionable "consulting" fees.
- **Republicans Voted With Murkowski** to break the promise of the Longevity Bonus, to allow lobbyists to give more money to legislators, and to roll back public campaign finance reform and fair pay initiatives. Democrats stood up to Murkowski.
- **Billions In Giveaways To Exxon.** Republicans Allowed, and Democrats voted to stop, billions in "net" oil tax giveaways to Exxon & BP.

Honest • Competent • Ready to Lead

Vote Democratic!

FBI - Stevens-602

Paid for by The Alaska Democratic Party. Not Authorized by any candidate or candidates committee. www.AlaskaDemocrats.org

Jake Metcalfe, Chair, 258-3050, P.O. Box 231230, Anchorage, 99523

199A-AO-13620-Presso

(Mount Clipping in Space Below)

Kohring, Valley incumbents winners

■ **ISSUE:** FBI raid on his and other legislators' offices fail to tarnish voters' support.

By ZAZ HOLLANDER
Anchorage Daily News

WASILLA — It was good to be a Valley Republican Tuesday night.

Unofficial results at 11 p.m., about the time Wasilla's Sarah Palin declared herself governor, showed that

every Mat-Su legislative incumbent is headed back to Juneau.

In the Valley's most closely watched legislative race, Rep. Vic Kohring easily defeated Democratic challenger Katie Hurley, the 85-year-old former legislator thought by some to be capable of beating the incumbent in state House District 14, a Republican stronghold that takes in greater Wasilla.

Kohring drew roughly 60 percent of

the votes counted with all seven precincts in, according to preliminary results.

Federal agents looking for potentially corrupt links to oil field services company Veco, as well as developer Marc Marlow, searched a number of legislators' offices, including Kohring's, in late August. Of six lawmakers searched Aug. 31, only Kohring sought re-election. Kohring also works for Marlow.

Asked to come in as Kohring's challenger in late August after the original candidate stepped down for a state job, Hurley quickly raised nearly \$30,000, largely in small donations from more than 250 contributors.

Starr Bynum, preparing to "drag" her husband out of their busy Wasilla auto repair shop to vote Tuesday evening, planned to vote for Kohring. She

194A-AN-1/See Page B-2, MAT-SU
5620-press

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 11/08/2006
Edition: WEDNESDAY

Title: KOHRING, VALLEY
INCUMBENTS WINNERS

Character:
or
Classification: 194A-AN-13620-M - 304
Submitting Office: Anchorage

Indexing:

FBI - Stevens-603

MAT-SU: Voter says investigation not proof of any guilt

Continued from B-1

didn't know that much about Hurley, Bynum said.

And she did consider the FBI investigation but wasn't swayed.

"I never heard that he was actually convicted," she said. "You're going to have to prove to me that he was guilty before I say he was."

Kohring was unavailable for comment Tuesday night.

In an e-mail, he said he planned to campaign until polls closed at 8 p.m., "go to bed early," and rise at 4 a.m. today to wave a "thank you" sign along the Glenn Highway, regardless of the election results.

Only one legislative race was even marginally close. First-term incumbent Mark Neuman bested independent challenger Myrl "Boone" Thompson with 58 percent of the vote in House District

15, which ranges from Point MacKenzie to Petersburg. All nine precincts were accounted for in unofficial results.

Neuman, a former woodworker from Big Lake, won his first term as a political newcomer in 2004 when he defeated former Rep. Beverly Masek and Thompson. But this season, the incumbent weathered challenges from citizen activist Thompson — who spent the legislative session in Juneau serving as a self-appointed watchdog — that he had become an oil industry puppet.

In other races, Sen. Charlie Huggins won an easy victory over independent challenger Jay Cross in state Senate District H, which runs from Cantwell to Birchwood.

Huggins was appointed in 2004 by Gov. Frank Murkowski to fill the seat held by former Sen. Scott Ogan, who resigned. Cross, a political new-

comer, said he had decided to run over frustration with the previous Legislature's failure to pass a fiscal plan. He criticized Republican Party ties to Veco.

Huggins, a retired U.S. Army colonel, said he returned \$3,000 in Veco contributions a few days after the investigation came to light.

In House District 16, which stretches from Chugiak to the outskirts of Palmer, Rep. Bill Stoltze defeated Patricia Chesbro, his Democratic opponent, on his way to a third term.

Rep. Carl Gatto also easily beat Democrat Jim Wardman for his third term serving House District 13, which includes Hatcher Pass and Palmer.

■ Reporter Zaz Hollander can be reached at the Daily News Wasilla office at zhollander@dn.com or 352-6711.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 11/15/2006
Edition: WEDNESDAY

Title: DOORS OPEN FOR JUNEAU
SPECIAL SESSION

Character:

or

Classification: 194A-AN-13620-M

Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

11/15/06

DOORS OPEN FOR JUNEAU SPECIAL SESSION



Rep. Lesli McGuire, R-Anchorage, and her husband, Rep. Tom Anderson, R-Anchorage, enter a car Tuesday after leaving the Capitol in Juneau. After an early winter storm kept many lawmakers from arriving in the state capital, the legislative special session began late Tuesday night, a day later than planned.

BRIAN WALLACE / Juneau Empire via The Associated Press

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 12/08/2006
Edition: FRIDAYTitle: FEDERAL AGENTS ARREST
ANDERSONCharacter:
orClassification: 194A-AN-13620-M
Submitting Office: Anchorage

Indexing:

Federal agents arrest Anderson

Daily News staff

Federal authorities arrested state Rep. Tom Anderson on Thursday afternoon on "public corruption" charges, the FBI said. Anderson was still in custody at the Anchorage Jail on Thursday night.

FBI spokesman Eric Gonzalez said further details would be available from the Department of Justice today.

Gonzalez would say only that there was a federal warrant for the arrest "in connection with a public corruption probe."

Anderson, who was elected to the state House four years ago to represent Muldoon

but did not seek re-election in November, kept up his consulting business as an adviser for clients who do business with state and local government. He is married to state Rep. Lesli McGuire, R-Anchorage, who was elected to the state Senate in November.

Federal agents swarmed legislative offices around the state at the end of August, seeking information on legislators' links to oil services and construction company Veco. The FBI made no arrests at that time. Check www.adn.com for updates.



Anderson

FBI - Stevens-606

(Mount Clipping in Space Below)

'Sorry' raises whiff of bribes

■ **LOBBYIST:** Apology to city leaders by Bill Bobrick is called a link to the Anderson scandal.

By KYLE HOPKINS
and LISA DEMER
Anchorage Daily News

Bill Bobrick, the lobbyist who set up a company that federal prosecutors say was used to funnel bribes to indicted state Rep. Tom Anderson, called Mayor Mark Begich and several members of the Assembly over the weekend.

His message: I'm sorry.

"He wanted to apologize for the mistake he's made and he knows he needs to deal with it," Begich said Monday.

The mayor, who considers Bobrick a friend and served as best man at Bobrick's 1998 wedding, said that he was disappointed in the longtime lobbyist and that Bobrick should work with the FBI.

164A-AN-13620-Press
See Back Page, BOBRICK

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 12/12/2006
Edition: TUESDAY

Title: 'SORRY' RAISES WHIFF OF
BRIBES

Character:
or

Classification: 194A-AN-13620-M - 307
Submitting Office: Anchorage

Indexing:

FBI - Stevens-607

BOBRICK: Mayor Begich says highly active city lobbyist made big mistake

Continued from A-1

"If he has to serve time, then that's the way life goes," Begich said.

For years, Bill Bobrick has been one of the city's top lobbyists — hired by local companies to serve their interests before the local government — and a fixture at Assembly meetings. He also fits the description of an unnamed co-conspirator in the indictment that sent Anderson to jail for a night last week.

When Bobrick left an apologetic message on Assemblyman Dan Coffey's cell phone, Coffey said it confirmed for him that Bobrick is indeed the same person accused of accepting bribe money from a secret FBI source and funneling cash to Anderson.

"He said he was sorry that he'd done what he'd done, and he said he was sorry that he'd hurt his community," Coffey said.

Bobrick hasn't been charged with any crime. He did not return phone messages Monday.

Several members of the Assembly interviewed Monday — including two Bobrick didn't talk to, Ken Stout and Paul Bauer — said they hadn't personally seen Bobrick break any ethics rules during his frequent dealings with city government. Some had a lot of good things to say about Bobrick.

FBI agents arrested Anderson on Thursday afternoon on conspiracy, money laundering, bribery and other charges.

He pleaded not guilty Friday, was released from jail, and made a brief appearance in federal court Monday afternoon for a status hearing on who will represent him. Anchorage lawyer Jeffrey Feldman, who has been appearing in court for Anderson, said he won't be able to handle the case because of "back-to-back trials" in other cases in March and April. He also is representing BP in the complex, ongoing federal investigation into pipeline corrosion on the North Slope.

Anderson's trial is tentatively set to begin Feb. 12.

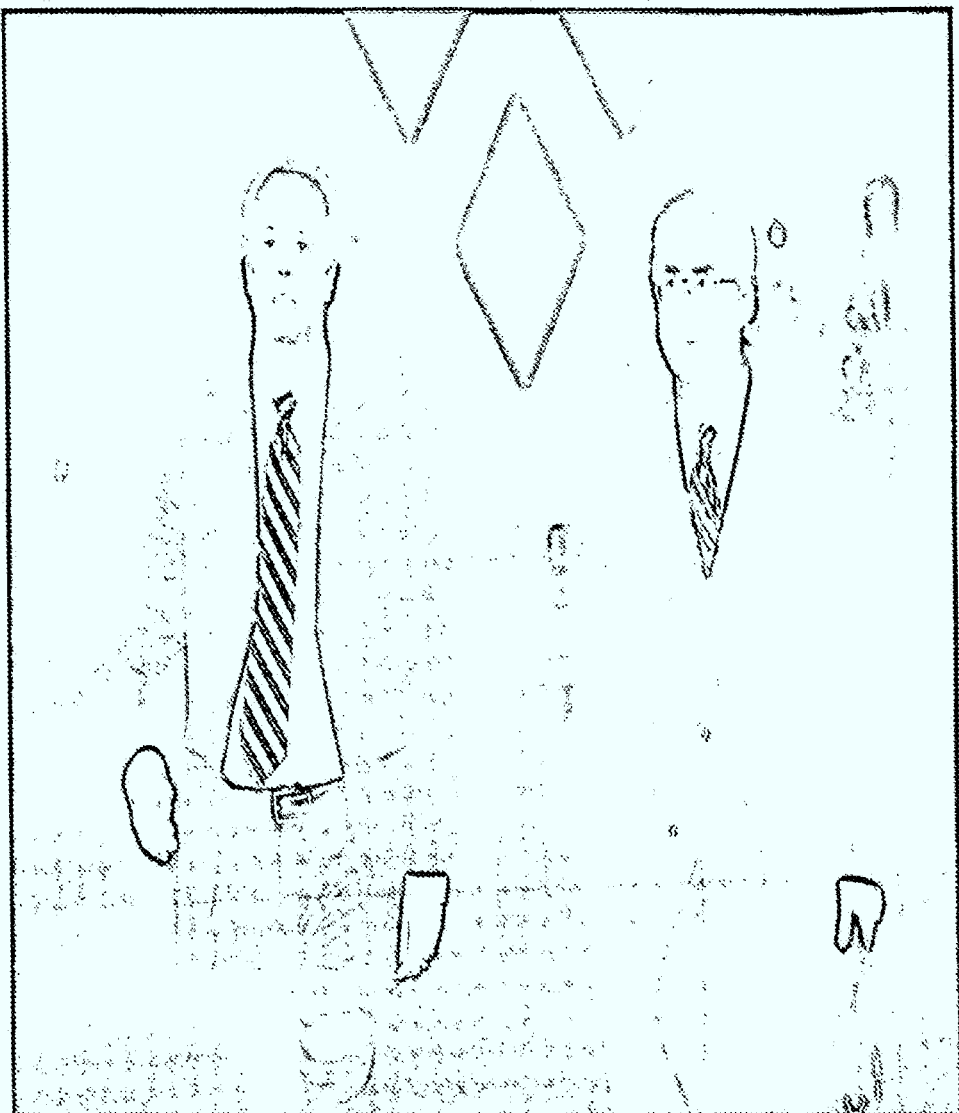
Also, Anderson has decided not to take a planned vacation to Mexico because of his need to find a lawyer and start his legal defense, Feldman said after the hearing. Magistrate Judge John D. Roberts earlier had given Anderson permission to go.

The 18-page indictment against Anderson doesn't name the lobbyist he's accused of working with, but does describe that person as someone who set up a shell company called Pacific Publishing on or around Aug. 2, 2004.

According to state Commerce Department records, Bobrick is listed as the owner of Pacific Publishing on a now-expired business license issued Aug. 2, 2004. In a September interview for a story about Anderson and his consulting income outside of the Legislature, Bobrick told the Daily News he had created the company.

The indictment also describes the anonymous lobbyist as someone who had a consulting contract with an unnamed corrections company that Anderson is accused of helping in exchange for money.

Bobrick registered with the city in 2004 as a lobbyist for Cornell Companies, which had been



Rep. Tom Anderson and attorney Jeff Feldman walk through the Federal Building on their way to a court hearing Monday. FBI agents arrested Anderson on Thursday afternoon on conspiracy, money laundering, bribery and other charges. He pleaded not guilty Friday and has decided not to take a planned vacation to Mexico because of his need to find a lawyer and start his legal defense.

BILL ROTH / Anchorage Daily News

adn.com

■ **INVESTIGATION:** For previous stories on the FBI corruption investigation and Anderson indictment, go to www.adn.com/news/politics/FBI

■ **BLOG:** For updates or to express yourself, click on www.adn.com/alaskapolitics

working to open a facility for juvenile offenders in Anchorage and also to build a private prison in the state.

Federal prosecutors have emphasized that the corrections company was not implicated in the case.

Assembly members said Bobrick didn't get specific in his apologies. He didn't talk about Anderson, or what exactly he did or didn't do, they said.

Assemblywomen Pamela Jennings and Anna Fairclough said Bobrick told them he was sorry if he made the Assembly or the city look bad.

"He actually said I've done something wrong and I'm going to have to pay for it," Jennings said.

Assemblyman Paul Bauer — who said Bobrick campaigned against him when he ran for office — said he thinks Bobrick's potential ties to the Anderson case raise questions about his lobbying work before the city.

Begich said Bobrick made a big mistake, but that "from all indications, there's nothing connected to the city in a negative way."

Bobrick was executive director of the Alaska Democratic Party in the 1980s. He later became a registered lobbyist in Anchorage and has said he represented only clients who had city business.

Bobrick is currently registered as lobbyist for 11 different companies and entities doing business before the city, far more than any other individual. Among them: JL Properties, Carr-Gottstein Properties, developer Marc Marlow, Alaska Interstate Construction, Eklotna Inc., and the firefighters union. He earlier lobbied for Wal-

Mart.

Long before Anderson's arrest, Bobrick had been telling people he wanted to move away from his lobbying business.

Coffey said that he'd been planning to meet with Bobrick and the advertising/public relations firm Lottsfeldt Smith last Tuesday — until Coffey had a heart attack and was hospitalized. Coffey said he later learned that meeting was to talk about Bobrick's lobbying clients transferring to the other company.

Coffey said Bobrick visited him in the hospital and talked about getting out of lobbying for health reasons.

Curtis Smith, a partner at Lottsfeldt Smith, said Friday that Bobrick told him something similar weeks before.

"He said lobbying was simply too stressful."

■ Contact Daily News reporter Kyle Hopkins at khopkins@adn.com. Contact reporter Lisa Demer at ldemer@adn.com. Read our politics blog at adn.com/alaskapolitics.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 12/19/2006
Edition: TUESDAYTitle: FROM SMALL POTATOES TO BIG
ONES, LET'S HOPE FOR NEW
ETHICS LEGISLATIONCharacter:
orClassification: 194A-AN-13620-M -308
Submitting Office: Anchorage

Indexing:

**From small potatoes to big ones,
let's hope for new ethics legislation**

12/19/06
Rep. Tom "Small Potatoes" Anderson should be taking a lesson from Sen. Ben "300 Clams" Stevens on how to shoot for the real big bread. Stevens received \$775,000 for five years of consulting, and Alaska Public Offices Commission hit him with only a \$300 fine for not disclosing his two-year chairmanship on the Alaska Fisheries Marketing Board.

I sincerely hope the new alliance in Juneau gets some ethics reform legislation happening when they get together in January. We the voting public would like to be informed about how our public officials are making this vast amount of money as consultants. And while they're at it, would they give APOC some teeth too?

—B. MacMillan
Anchorage

194A-AN-13620-Press

FBI - Stevens-609

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 12/19/2006
Edition: TUESDAYTitle: ANDERSON TAPS STOCKLER
TO HANDLE HIS DEFENSE

Character:

or
Classification: 194A-AN-13620-M
Submitting Office: Anchorage

Indexing:

Anderson taps Stockler to handle his defense

■ **SCHEDULING:** Jeff Feldman was too busy to take the case.

By LISA DEMER
Anchorage Daily News

State Rep. Tom Anderson, facing seven federal felony charges including allegations of extortion, money laundering and bribery, is replacing one high-profile defense lawyer with another.

Anchorage attorney and restaurateur Paul Stockler entered an appearance in the case on Friday, and the arrangement was confirmed at a brief federal court hearing Monday.

He is a former state prosecutor who was a key part of the team that successfully defended Rob Kane and Security Aviation on



Stockler

federal weapons charges earlier this year. He usually handles complicated civil litigation, he said.

Anderson originally had hoped to be represented by another prominent Anchorage attorney, Jeff Feldman. But Feldman is representing BP in an investigation into pipeline

corrosion and has trials in civil cases coming up next year. He couldn't handle this as well, he earlier told the judge.

Anderson was indicted Dec. 6. He is so far the only person to face charges in an ongoing FBI probe into allegations of corrup-

FBI - Stevens-610

194A-AN-13620-PRESS
See Page B-3, ANDERSON

ANDERSON: *Trial*

Continued from B-1

tion involving Alaska legislators.

Anderson, whose term in office ends in mid-January, is accused of working with a lobbyist to set up a sham company. Payments were funneled through that shell, Pacific Publishing, to Anderson in exchange for helping a private corrections company with efforts to build a private prison in Alaska and operate an adolescent treatment center in Anchorage, according to the charges.

Those efforts failed. The corrections company, which was unnamed in the indictment but appears to be Cornell Companies, was reportedly unaware of the scheme, which was set up through an undercover informant.

Anderson's trial is scheduled to begin Feb. 12. Whether that date will stick is unclear. Anderson wants to go to trial, but Stockler said Monday he has just gotten the case and hasn't seen the government's evidence yet.

He spoke by cell phone from Houston, Texas, where he was representing an Alaska contractor in mediation of a multimillion-dollar lawsuit.

"I need to get home this week and read what the government has," Stockler said.

■ Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

FBI - Stevens-611

(Mount Clipping in Space Below)

Wait! Anderson may need a jet ride

Perhaps Gov. Sarah Palin should wait to sell former Gov. Frank Murkowski's prisoner transport jet until we know whether Rep. Tom Anderson needs a ride.

— David Miller
Juneau

194A-AN-13620-A

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 12/20/2006
Edition: WEDNESDAY

Title: WAIT! ANDERSON MAY NEED
A JET RIDE

Character:
or

Classification: 194A-AN-13620-M
Submitting Office: Anchorage

Indexing:

FBI - Stevens-612

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 12/25/2006
Edition: MONDAYTitle: WE WISH YOU GOOD TIDINGS
AT CHRISTMAS

Character:

or

Classification: 194A-AN-13620-M -311
Submitting Office: Anchorage

Indexing: FBI - Stevens-613

We wish you good tidings at Christmas

12/25/06

By BILL J. ALLEN

Once again, I am privileged on this special day to extend to all of our readers our warm wishes for a wonderful Christmas and our most sincere hopes that your New Year will be filled with good health, happiness and prosperity.

We remain grateful to each of you who has made The Voice of The Times part of your regular newspaper reading routine, and we are pleased as always to express our thanks to the men and women of the Anchorage Daily News who make it possible for this daily editorial page to continue.



Allen

It has been 14 1/2 years since the old Anchorage Times ceased publication. Yet its voice — a conservative view of issues that face our city, state and nation — has been preserved by this unique arrangement with the publishers of what now is Alaska's largest newspaper.

We believe most readers consider this a rare journalistic treat, something that — despite occasional flashes of antagonism between competing forces — has

helped enrich and enliven the public's understanding of the headlines of the day.

In one respect this has been a difficult year for me, personally, as the result of a federal investigation involving political campaign contributions to members of the Alaska Legislature. Hopefully those issues will be resolved in the new year.

As most of you know, I am not only the publisher of The Voice of the Times, but also am chairman of VECO Corp., one of Alaska's largest and most successful engineering, construction and project management companies.

We employ thousands of wonderful and talented men and women in Alaska and in many places the world over. As a corporation, we have donated millions of dollars to worthy charitable causes, and individually our people in every part of our business likewise have been generous givers to hundreds of agencies and activities that help make Anchorage and Alaska a better place to live.

We will continue to do so in the year that is about to unfold. We also look forward to continuing our commitment to readers who look to us to express a different viewpoint on the issues of the day.

There certainly will be no shortage of compelling topics on the 2007 agenda.

Gov. Sarah Palin has brought to Juneau a new energy and her enthusiasm assures that Alaska will be moving ahead at full speed. We wish her well. Her success will mean success for all Alaskans. We may disagree with some of her strategies and policies as time goes on, but we will do so with respect for her and her office — and in the hope that our view, along with that of all Alaskans, will assist her overall goal to do great things for this state.

But Alaska is not all about politics or political leaders. Mostly, it is about people — ordinary folks who are here because they love the beauty and the opportunities that abound in this state.

People like you and people like me. We're Alaskans, all.

And on behalf of those who each day bring to you The Voice of The Times, I extend the warmest of wishes for a wonderful Christmas. May your day be filled with love and joy. And may the New Year bring fulfillment of your dreams.

Bill J. Allen is publisher of The Voice of The Times and chairman of VECO Corp.

The Anchorage Times

Editors: TOM BRENNAN, 264-8191; PAUL JENKINS, 264-8192; WILLIAM J. TOBIN, 264-8193;
Associate editor: JAN SINGYKE, 264-8107 • P.O. Box 100040, Anchorage, AK 99510 • FAX: 907-264-8194
• e-mail: AnchTimes@alaska.net

The Voice of the Times does not represent the views of the Anchorage Daily News. It is published under an agreement to preserve the separate editorial voice of the former Anchorage Times.

Delay sought in legislator's bribery trial

ANDERSON: Defense says it needs time to review 20 CDs of FBI data.

By LISA DEMER

Anchorage Daily News

Published: January 9, 2007

Last Modified: January 9, 2007 at 10:34 AM

Indicted state legislator Tom Anderson wants to delay the start of his trial so his lawyer can better prepare.

Story tools

E-mail a friend

Print

Digg this

Seed Newsvine

Send link via AIM

Font size : A | A | A

In a court motion filed Friday, Anderson's attorney, Paul Stockler, wrote that he is still working his way through 20 discs "which contain hours of audio and video recordings involving the defendant taken over an extended period of time."

The trial is now scheduled for Feb. 12, and Stockler said he wants to delay it until April 23.

The three-page motion provides the first mention of video recordings in the FBI corruption investigation of Anderson and other legislators. Anderson was indicted by a federal grand jury in December on seven felony counts including money laundering, extortion and bribery.

The indictment contains a number of references to recorded conversations between Anderson and two others: a local-government lobbyist for a private corrections company and a confidential source who had worked for the same company. The indictment doesn't specify whether any of the recordings were on video.

The indictment describes a conspiracy that began in July 2004 in which the lobbyist set up a shell company that existed to launder money to Anderson. The FBI gave money to the informant, who passed it on to Anderson and the lobbyist in exchange for Anderson pushing the interests of the corrections company. Anderson received less than \$13,000, according to the indictment.

Anderson has pleaded not guilty to all the charges.

No one else has been charged in the multi-pronged investigation into corruption involving Alaska legislators, and federal officials will say only that the probe continues.

Federal agents executed search warrants in August for numerous sites around Alaska, including the offices of six legislators. According to two of the warrants, the FBI was seeking information on Veco, the oil services and construction company, including "anything of value" provided by Veco and two top executives to any public official. The FBI also has issued subpoenas to commercial fishing interests, including some based in Seattle, for records related to retiring FBI - Stevens-614 Senate President Ben Stevens, son of U.S. Sen. Ted Stevens. Ben Stevens has been paid to work as a fishing industry consultant.

Stockler said he's listening to or watching the Anderson recordings himself because it's important to hear the speaker's tone. The government didn't provide a transcript and every hour of a recording takes two to eight hours "to decipher exactly what was said," Stockler's motion said.

He wouldn't describe the recordings or what is depicted on the videos.

194A-AN-13620-~~PRELIM~~ M-312

had estimated a week, his motion said.

Assistant federal prosecutor Joe Bottini didn't return a call on Monday but earlier said the government didn't oppose delaying the trial though wanted an earlier date in April than Stockler.

Anderson was elected to the state House in 2002 from East Anchorage but last year decided not to run again. He remains in office until Jan. 16 when new legislators are sworn in. He is married to Sen.-elect Leslie McGuire, who served three terms as a state representative.

Anderson worked as a consultant when he was a legislator, and one of his biggest clients was Veco. After last year's regular legislative session, he registered as a municipal lobbyist in Anchorage. He hasn't registered for 2007.

Anderson also was hired last year as executive director of the new Midtown Improvement District. But after Anderson was indicted, the organization's board and Anderson agreed he should step down, said Tom McGrath, interim board chairman and owner of electronic parts store Frigid North.

FBI - Stevens-615

Anderson's trial rescheduled for April 9; lawyer is reviewing tapes

Published: January 11, 2007

Last Modified: January 11, 2007 at 02:33 AM

ANCHORAGE -- The trial of indicted state legislator Tom Anderson on bribery, money laundering and extortion charges has been rescheduled for April 9.

Story tools

E-mail a friend

Print

Digg this

Seed Newsvine

Send link via AIM

Font size : A | A | A

U.S. District Judge John Sedwick this week set the new date so that Anderson's defense attorney has time to prepare for the trial. Defense lawyer Paul Stockler said he's listening to and watching 20 discs containing many hours of audio and video involving Anderson.

Stockler wanted the trial to be pushed back to later in April because he has a state court case set for trial at the start of that month. But Sedwick wrote in his order that he wasn't available then. If there's a conflict as Anderson's new trial date nears, he can ask to delay his

trial further, the judge said.

--- Anchorage Daily News

FBI - Stevens-616

m-313

194A-AN-13620-~~POSS~~

7/10/2007

FBI raids help set agenda in Juneau

LEGISLATURE: Ethics, pipeline, education are top issues this session.

By SABRA AYERS

Anchorage Daily News

Published: January 14, 2007

Last Modified: January 14, 2007 at 04:04 AM

JUNEAU -- An unfinished gas pipeline deal, rising health care and education costs, and a bipartisan call for revising the legislative ethics laws -- Alaska's lawmakers return to the capital this week to begin tackling these and other issues in a four-month session that starts Tuesday.



[Click to enlarge](#)

The session gets under way after a year of political change in which Alaska saw the election of its first female governor and Democrats gained powerful Senate committee seats after being in the minority since 1984.

A political scandal, which erupted in August when the FBI raided six lawmakers' offices in an investigation into alleged government graft, has brought curbing corruption to the forefront of both voters' and legislators' minds.

How much the shadow of the FBI raids will hover over this year's legislative session remains to be seen, lawmakers said. Rumors of more indictments to come are swirling around the capital after the December indictment of one lawmaker, Tom Anderson, a Republican representative from Anchorage whose term in office ends Tuesday.

"The black cloud is definitely going to be difficult for some people," said Sen. Kim Elton, a Democrat from Juneau. "The most distressing part is now it has become easy for people to assume everything we do

is tainted."

The scandal has placed ethics reform at the top of the list in both chambers of the government. Legislators from both sides of the aisle have filed ethics-reform bills.

The governor's office has said it will also submit a proposal.

"People understand what the concerns are, but the best solution has yet to be hammered out," said Sen. Gene Theriault, a Republican from North Pole and the Senate minority leader.

Lawmakers begin the session at a time when the state is flush with cash, thanks to high oil prices and a new oil tax. That's good news for those pushing for spending in education and beefing up the under-funded state pension system.

FBI - Stevens-617

But Gov. Sarah Palin has asked for spending restraint, and additions to state savings accounts, saying being prudent is the best way for Alaska to safeguard for the future. Palin has asked her Cabinet members to trim her proposed \$3.7 billion budget for state operations by \$150 million.

"It's going to be tough, there's no doubt about it," said incoming Senate President Lyda Green, a Republican from Wasilla. Green is heading a 15-member bipartisan coalition, a setup that will see Republicans on both sides of the aisle.

194A-AN-13620-~~REBS~~ m-314

Securing a gas pipeline deal is expected to become a main focus in both the governor's office and with lawmakers, but it's unclear how much progress will happen. The Palin administration is working on a bill it promises will "jump start" a deal on state tax terms if a developer takes on the pipeline. Palin has said she wants to "bring transparency to a competitive process" when negotiating contract proposals.

Lawmakers said they hope to be kept in the loop on the governor's progress, but agree that her administration will need time to thoroughly figure out the best deal for Alaska.

"No one is expecting her to have something ready on Jan. 16," said Rep. Ralph Samuels, a Republican from Anchorage. "But after six weeks, I'm sure the pressure will start to build and we'll be looking for some indication as to the direction the governor is moving."

Several crime fighting bills have also been filed this year. Requiring schools to report chronic truants would help communities keep at-risk children in school and out of gangs, according to a bill proposed by Sen. Con Bunde, R-Anchorage.

Another bill, sponsored by Rep. Kevin Meyer, an Anchorage Republican, would require ignition interlocks systems, which prevent a car from starting if a driver fails a breathalyzer test for alcohol, for all repeat offenders convicted of driving under the influence.

Daily News reporter Sabra Ayers can be reached at sayers@adn.com or 907-586-1531.

FBI - Stevens-618

Alaska Ear

The divine appendage

Published: January 28, 2007

Last Modified: January 28, 2007 at 02:41 AM

WILL WORK FOR SARAH . . . The Alaska Budget Report, an insider subscription newsletter about legislative doings, says former lawmakers and Cabinet members who applied -- unsuccessfully -- for Cabinet posts in the Palin administration include former Kenai Peninsula state Sen. John Torgerson, former Anchorage state Sen./Lt. Gov. Loren Leman, former AG Dave Marquez, former state Sen. Jerry Ward, former Murkowski Administration Commissioner Scott Nordstrand, former Murkowski DOT Commissioner Mike Barton, former Knowles DOT Commissioner Joe Perkins, former Kenai House member Gary Davis, former state Sen. Dave Donley and former Murkowski Administration Commissioner/North Pole Sen. Mike Miller.

Story tools

- E-mail a friend
- Print
- Digg this
- Seed Newsvine
- Send link via AIM

Font size : A | A | A

Win some, lose some, darlings.

BAR BIGGIES BAGGING IT? . . .

Ear hears some longtime Anchorage CHARR members are abandoning ship, fed up with its "new liberal slant." As the story goes, Blues Central owner Frank Dahl, Chilkoot Charlie's owner Mike Gordon, and

Crossroads Lounge owner Don Skewis are all voluntarily ditching their long-held seats. The powerful trio is apparently irked by CHARR's recent blessing of State Rep. Harry Crawford's driver's license violation coding bill, which essentially would ban alcohol sales to people with DUI convictions.

MUM'S THE WORD . . .

Juneau Earwigs report Gov. Sarah's office has banned the various departments from taking positions on bills. Commissioners and their underlings can present neutral info to legislators, at public hearings and the like, but no opinions allowed. Word is, all administration positions will come straight from the governor's office.

Other governors have tried this, d'Ears. Control, you know. Speak with one voice. It's understandable, but it never works. There's just too much stuff, and the Gov's office gets overwhelmed.

SHHHH . . . In an interview with Channel 2 about the appointment of Keri Brady as Anchorage D.A., deputy attorney general Mary Anne Henry mentioned low morale in the D.A.'s office, attributing it to a pattern of harassment and discrimination against women prosecutors under the previous administration.

It took about a week, but AG Talis Colberg issued a statement publicly chiding his top criminal assistant: "The department's policy is not to comment on personnel matters," the statement

More Alaska Ear stories »

Alaska Ear
Alaska Ear
Alaska Ear
Alaska Ear
Alaska Ear

Blog, column

BLOG Alaska politics



Reports from Anchorage, Juneau and everywhere there's someone with an opinion about Alaska politics.

COLUMN Alaska Ear



The divine appendage dishes the scoop on political hijinks in Alaska.

Blog, column

BLOG Alaska politics



Reports from Anchorage, Juneau and everywhere there's someone with an opinion about Alaska politics.

COLUMN Alaska Ear



The divine appendage dishes the scoop on political hijinks in Alaska.

**Legislative pay hardly meager, numbers show -
Mostly hidden supplements help many lawmakers earn a decent annual income**

Juneau Empire (AK)
February 11, 2007
Author: PAT FORGEY
JUNEAU EMPIRE

Estimated printed pages: 4

Alaska legislators like to talk about their low salaries in a "citizen" Legislature. Actually, thousands of dollars of mostly hidden compensation add up to higher incomes than many of their constituents enjoy.

And since legislators have great flexibility in choosing whether to earn supplemental income, you could say they are as professional as they want to be.

Legislators typically claim to make about \$24,000 a year. That is indeed the base salary.

However, a Juneau Empire analysis of public data shows the average legislator last year actually earned nearly \$75,000, more than triple that.

The highest paid legislator earned \$88,000 from the state last year.

"Our system of compensation has been a bit of a farce as long as I've been here," said Sen. Con Bunde, R-Anchorage, who has served in the Legislature since 1992.

When legislators say publicly how much they make, they usually claim \$24,000. That's what House Speaker John Harris, R-Valdez, said in a recent Empire opinion piece.

The reality: Harris last year made \$83,363 as a state legislator, according to Empire calculations.

It's still not much, he said, and last year's numerous special sessions made the figure unusually high, Harris said.

"It still didn't make up for the income I lost by not being able to work all summer," he said.

Powerful Sen. John Cowdery, R-Anchorage, chairs both the Senate's Rules Committee and the Legislative Council. He claimed in an Alaska Public Offices Commission filing last year that he made \$24,012 from the state the previous year.

The reality: The Empire's calculations show Cowdery made more than \$60,000 in 2005 and \$67,483 last year.

The commission's disclosure forms specifically state that disclosing legislative pay is not required, said Brooke Miles, the commission's executive director, and Cowdery did nothing wrong by reporting an incorrect amount.

Cowdery was unavailable for comment Friday, but a call to his office was returned by spokesman Jeff Turner, who pointed out that Cowdery was paid well below the legislative average.

Hard to Track

The difference between what legislators say they get paid and what they actually get stems from the way they're compensated.

FBI - Stevens-620

Each legislator starts with a flat salary of \$2,001 a month, or \$24,012 a year. The president of the Senate and the speaker of the House each get paid an additional \$500.

That amount is so low that legislators need income from elsewhere to support themselves, many say.

"I cannot afford to do this job unless I have outside employment," said House Majority Leader Ralph Samuels, R-Anchorage.

Several legislators and former legislators have said that if they are to avoid any conflict of interest or perceived conflict of interest, they'd have to become "professional" lawmakers with commensurate salaries. In that case, outside employment could be banned entirely.

194A-AN-13620-M-316

Few legislators like that idea, however, even those who have been active in ethics reform.

"If you have a professional Legislature, it sounds terrible," Samuels said. "I think a citizen Legislature is the way to go."

In addition to a base salary, each legislator gets "session per diem" for each day the Legislature meets. Last year that amount ranged between \$163 and \$218 per day for legislators from outside Juneau, according to the Legislative Affairs Agency. The three from Juneau were paid between \$117 and \$163 per day.

Last year most legislators from outside Juneau got paid between \$30,000 and \$33,000 in session per diem. Legislators from Juneau got \$23,000-\$24,000 per year. The Empire calculations included this amount as income.

The theory behind session per diem is that legislators sometimes have to run two households, one in their home district and one in Juneau. Some legislators, however, have been reported living in their Capitol offices and showering in Capitol showers and saving the per diem amount.

Harris said he's heard of some legislators doing that as well, but the practice is "discouraged."

Some income is tax free

Legislators from outside Juneau aren't taxed on their per diem. The Legislative Affairs Agency considers 57 of them as nonresidents of Juneau, even though it paid \$10,000 or more to move some of them here.

Bunde has introduced a bill barring the Legislature from paying per diem to legislators who reside in Juneau but said it would only apply to the three who represent Juneau.

Relocation expenses can run as high as \$26,000, which is what Sen. Gary Stevens, R-Kodiak, incurred. Relocation expense was not included in the Empire's calculations of income.

In addition, legislators who travel from Juneau back to their home districts during the session can also be reimbursed directly for a hotel room if their house is rented out for the session, said Pam Varni, Legislative Affairs Agency director for the state. That amount was not included in these income calculations.

When the Legislature is not in session, members can receive what is called "long-term per diem," \$150 a day. To qualify, a legislator must either attend a meeting or spend at least four hours of that day on legislative or constituent business.

Claiming long-term per diem is left to each legislator's discretion, according to the agency.

Claims vary widely. Sen. Bert Stedman, R-Sitka, put in for the largest amount, working on average more than five days a week when the Legislature was not in session. That made him the highest paid legislator last year, at more than \$88,000.

Bunde said he didn't consider that as true per diem and said he'd prefer the term "stipend" so as to not mislead the public. "Truth in labeling, I guess I'd call it," he said.

Sen. Gary Wilken, R-Fairbanks, was the only senator to claim no long-term per diem last year.

"I'm financially in a position that I don't rely on my legislative income to live here," he said. "Some people do."

Finally, legislators get paid an office or business expense allowance. Senators get \$10,000 each; Representatives get \$8,000 each.

FBI - Stevens-621

Legislators can either submit receipts for each expenditure to be paid out of that account or can get it in a lump sum from which taxes are withheld. Harris takes his in a lump sum. For purposes of compensation, the Empire included that amount.

Amounts not included in the Empire's pay calculations include travel (average \$4,800 per legislator). Rep. John Coghill, R-North Pole, spent more than \$24,000 on travel last year.

The information on how much legislators actually earn is difficult to determine. The Legislative Affairs Agency publishes on paper a list of amounts spent on each Legislator's behalf, but does not typically make it available electronically.

It also does not tally the amounts, and excludes long-term per diem from its total compensation.

The Legislative Affairs Agency also refuses to release the amounts of total income it reports to the Internal Revenue Service on legislators' W-2 forms.

APOC's Miles said that maybe it is time for the commission to include state pay in legislator's financial disclosure reports.

Miles said her agency has previously not required it because of a belief that the information was readily available elsewhere.

She has since heard reports that the numbers are less readily available than she'd thought.

"That makes me think it needs to go on that form," she said.

Miles said she'll ask the commission whether it wants to require disclosure of that information by legislators. That request is likely to come at the commission's March meeting, she said.

2006 Selected Legislator PaySessionPer Diem OfficeExpenseLongtermPer DiemBaseSalary TotalPay Rep.
John Harris, R-valdez \$31,251 \$8,000 \$19,500\$24,512\$83,263Former Rep: Bruce Weyhrauch, R-Juneau
\$23,765 \$8,000\$19,050\$24,012\$74,827Rep. Beth Kerttula, D-Juneau \$24,092\$8,000\$16,200 \$24,012
\$72,304Sen. John Cowdery, R-Anchorage\$32,121 \$10,000\$1,350\$24,012\$67,483Sen Kim Elton, D-
Juneau\$24,091\$10,000\$6,150\$24,012\$64,253SOURCE: legislative affairs agency data, empire analysis •
Pat Forgey can be reached at patrick.forgey@juneauempire.com.

Copyright 2007 Juneau Empire

Record Number: 1173F744F03CB1A0

OpenURL Article Bookmark (right click, and copy the link location):

Legislative pay hardly meager, numbers show

 IE USERS, CLICK
HERE TO BOOKMARK

Record 1 of 1

[Back To Results](#) | [Printer Friendly](#)

FBI - Stevens-622

adn.com

Anchorage Daily News

Print Page

Close Window

Veco fades into Juneau background

ETHICS: Last year's scandals leave lawmakers with a keener sensitivity to every interaction with lobbyists.

By SABRA AYRES

Anchorage Daily News

Published: February 27, 2007

JUNEAU -- Lawmakers here say there was a time in legislative history when a cocktail party sponsored by Veco executives in a Baranof Hotel suite would have seen oil executives and lobbyists cozying up to lawmakers and staffers.

But such a scenario was before the FBI raided six legislators' offices last year. It was before a House member was indicted on charges of bribery, conspiracy and extortion, and before talk in the Capitol turned to ethics reform and clean government.

This year, lawmakers said, Veco executives haven't been around either the halls of the Capitol or the hotel bars frequented by the lawmakers who rent rooms upstairs during the session.

When the FBI searched legislative offices last August, search warrants show they were targeting material linked to interactions with Veco chairman Bill Allen, among other documents.

None of the lawmakers' whose offices were searched or any Veco executives have been charged. In December, then-Rep. Tom Anderson, R-Anchorage, was indicted on charges of bribery, extortion and money laundering. The two actions have not been linked by the FBI's continued investigation into government corruption in Alaska.

One lobbyist is registered to work for Veco this year, compared with three last year, according to the state's Public Offices Commission.

In the past, Veco stood apart from other interest groups by heavily using its top executives to lobby in Juneau, in addition to its contracted lobbyists. Veco is an Anchorage-based oil-field service company and one of the largest businesses in Alaska. It has championed oil company interests in Juneau for over two decades.

In 2002, the state insisted that Allen himself register as a professional lobbyist because he was making so many visits to the capital on behalf of his company.

A request for an interview with Veco executives Monday was turned down. A woman answering the phone at Veco's headquarters said the company's legal counsel had advised executives to refrain from media comments until after the FBI investigation's conclusion.

Lawmakers say the raids and swirling rumors of more indictments have created a magnifying glass when it comes to legislative conduct this year.

FBI - Stevens-623



"There is certainly more scrutiny of behavior that could potentially reflect badly on the institution," said Senate Minority Leader Gene Theriault, R-North Pole. (Seanna O'Sullivan/AP)

194A-AU-13620-M-317

Lobbyists from oil companies still visit lawmakers, but some legislators say a hyper-awareness to what could be perceived as unethical behavior has changed the way the government operates with special-interest groups.

Since the legislative session began last month, some lawmakers say they have thought twice about attending the abundance of lavish receptions hosted each year by special-interest groups from pharmaceutical companies to municipalities and nursing groups.

Some said they have become more cautious about public perceptions of their behavior, particularly as discussions continue in both chambers on more than a dozen legislative and executive ethics-reform bills.

There is certainly more scrutiny of behavior that could potentially reflect badly on the institution," said Senate Minority Leader Gene Theriault, R-North Pole.

This year, some senior legislative staffers have said they are choosing not to visit popular Juneau bars, where in previous years lobbyists have socialized with lawmakers and staffers.

It's a given that our bosses are a public figure and therefore subject to public scrutiny," said Heath Hilyard, the chief of staff for Rep. Carl Gatto, R-Palmer. "This year some of us are questioning where we go out in public because of how it might reflect on our bosses."

In early session primer on how Alaska fared compared with other states' ethical guidelines raised questions about what should be and shouldn't be acceptable behavior, said Rep. Mike Hawker, R-Anchorage.

I've opted not to attend receptions this year, because you don't know where the new ethics legislation is going," Hawker said. "The water is so murky now, I don't want to have to justify why I would go to one or oppose going to one. It's just better to avoid all questions and potential problems by not going until the reforms are worked out.

Hawker said he never attended a Veco suite party, nor was he ever invited to go "anywhere with them."

But lobbyists and the special-interest functions have their place in the legislative process, Hawker said. The recent accusations of unethical behavior in Alaska's government have clouded that role and created bad press for what the Anchorage Republican said was part of public participation in lawmaking.

The conventional wisdom has changed so that now lobbyists are a discredited profession and inherently evil," Hawker said. "What's lost is that a lobbyist is no more than someone hired to convey a group's interest to the legislature. They can be extremely helpful."

Interactions with lobbyists, receptions and special interest groups may change in the coming weeks, however. Gov. Sarah Palin is expected to introduce her revised state budget proposal as well as her gas pipeline legislation later this week.

Lawmakers said the debate over the Palin administration's pipeline bill could bring more lobbyists to Capitol halls as the debate on it heats up.

There is heightened awareness of any appearance of impropriety, and a sense that we better well care what the public thinks," Gatto said.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 907-586-1531.

FBI - Stevens-624

idn.com Alaska political corruption: Memo from Governor to Legislature
1dn.c{-mill \$0 facke political & #39;hope

Print Page Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens 625 & #39;

March 27, 2006

Author: RICHARD RICHTMYER

Anchorage Daily News

Staff

Estimated printed pages: 5

Myrl "Boone" Thompson lost his bid for the state House from Wasilla in the 2004 election, but that didn't stop him from packing his bags and heading to Juneau.

The Mat-Su political activist may not have an office in the Capitol, but he has become a fixture in its hallways, hearing rooms and legislative chambers, monitoring the goings-on in the Legislature, keeping a particularly close eye on the delegation from his borough.

"I'm generally watching out for stuff that goes under the radar," said Thompson, who describes his role in Juneau as "citizen lobbyist."

His critics, however, call it something else.

"A lot of people call him a liar, a scoundrel and a scumbag," said Mark Kelsey, managing editor of the Mat-Su Valley Frontiersman, the local newspaper that publishes a monthly opinion column from Thompson as well as occasional excerpts from his e-mail newsletter.

A lifelong Alaskan, Thompson, 47, jumped into the political breach in 2003 during a controversy in the Valley over former Palmer Republican state Sen. Scott Ogan's business relationship with Evergreen Resources, which wanted to explore for coal-bed methane on more than 300,000 acres across the Matanuska-Susitna Borough.

During that flap -- which ended with Ogan resigning and Evergreen abandoning Mat-Su -- Thompson got involved in citizens' groups aimed at ousting Ogan from office and became a vocal critic of the state's shallow-gas program to streamline coal-bed methane development.

In November 2004, Thompson ran as an independent to represent his district in the state House. He lost the election to Republican Rep. Mark Neuman from Big Lake, himself a political newcomer.

Notwithstanding his defeat at the polls, Thompson said, he took a leave of absence from his regular job as a banquet manager at the Hotel Captain Cook and headed off to Juneau, at his own expense, when the session started the following January.

He stayed for the duration of the 2005 regular session, mostly just watching and listening, occasionally testifying during public hearings on legislation, all the while sending regular e-mail dispatches to a handful of supporters.

This year, Thompson returned to Juneau -- this time with a list of e-mail subscribers he says has swelled to more than 500 names and his regular forum in the Frontiersman.

But if Republican lawmakers want to subscribe to his e-mail bulletins, they'll have to do it under a phony name.

"When they ask to get on it, I tell them I have a closed-door caucus e-mail filter," he said, making a jabbing reference to the group sessions the majority party has in private where they discuss political strategy.

In a recent e-mail musing under the heading "Neumanism," Thompson sarcastically chronicles some recent developments in his former opponent's activities in Juneau, including his recent appointment by House Speaker John Harris to the Alaska Statehood Commission.

FBI - Stevens-626

"It has to be related to Mark's powerhouse performance on the POMV committee of 55 that Neuman constantly reminds us of," Thompson writes, referring to the 2004 Conference of Alaskans that was aimed at finding a long-term solution to the state's chronic budget shortfalls.

As one of only two citizen members of the conference, Neuman became something of a media star among a hall filled with politicians and businessmen who debated such issues as fixing the Permanent Fund dividend to a "percentage of market value" of the fund principle.

In another e-mail, he provides a short list of bills up for review in Rep. Vic Kohring's Oil and Gas Committee, and a short editorial comment:

194A-AN-13620-M-318

"HB 373 Exploration and Incentive Credits; HB 386 Extended North Slope Severance Tax Credit; Natural Gas Pipeline Incentive/Gas Tax. Do you notice a pattern here?"

Although he testifies from time to time on particular pieces of legislation, lawmakers say he does little else to try to influence the process. In fact, some of those whom he criticizes most sharply say they rarely even speak with him.

"He comes to just about every one of my Oil and Gas Committee meetings, and I usually greet him with a little chit-chat," said Kohring, R-Wasilla. "But he's certainly not lobbying me."

Kohring -- who was a sponsor of coal-bed methane drilling legislation that was part of the Evergreen controversy -- said he admires Thompson's commitment and appreciates the personal sacrifices he's making to relocate to Juneau. At the same time, Kohring said, he's frustrated by Thompson's approach.

"He's got it in his head that people are conspiring, we're in cahoots with big business, we're beholden to them, and it's just not true," Kohring said. "I wish he would be a little bit more open minded."

Wasilla Republican Sen. Lyda Green, co-chair of the Senate Finance Committee, said she is often confounded by Thompson's writings, especially when he neglects to seek comment from the lawmakers he is panning.

"I see him as someone who goes from committee to committee, waiting and watching to see what the Mat-Su legislators do," Green said. "I have no problem with that, but the conclusions he draws are biased and incomplete. It's just kind of snarly."

Kelsey of the Frontiersman said he fields frequent complaints about Thompson's Juneau dispatches, many of which come from Mat-Su legislators. But so far, none of them have made any real persuasive arguments, he said.

"I frequently hear, 'Myrl is a liar,' or 'Myrl stretches the truth,' But they can never say, 'Here's a specific example,'" Kelsey said. "It's a lot of name calling with no substance."

Thompson said he's gotten used to being a pariah in Juneau.

"It's like I'm radioactive," he said.

Neuman, who won the seat Thompson was vying for in the 2004 race, said he hasn't spoken a word to him since the election, and he declined to comment on his former rival's activities in the Capitol.

Thompson said he hasn't decided if he'll make another run for the House this year.

"I kind of like what I'm doing now more than if I were a legislator," he said. "As a legislator, they might be able to more effectively muzzle me."

Rep. Carl Gatto, a Republican from Palmer, said he fully expects Thompson's name to be on the November ballot, considering the amount of time he has spent in the Capitol over the past two years.

"I cannot for a moment think that he doesn't intend to run again," Gatto said. "This is a great opportunity for him to get enormous experience that he couldn't get any other way."

Caption:

Photo by SEANNA O'SULLIVAN

FBI - Stevens-627

Myrl "Boone" Thompson sits in the back of a House Finance Committee meeting Thursday at the Capitol in Juneau.

Rep. Mike Chenault, R-Nikiski, right, peers at the notes of Myrl "Boone" Thompson during a House Finance Committee meeting Thursday at the Capitol in Juneau. "I'm generally watching out for stuff that goes under the radar," Thompson said.

adn.com

Anchorage Daily News

Print Page

Close Window

Anderson's trial is delayed

By LISA DEMER

Anchorage Daily News

Published: March 29, 2007

The trial of former state Rep. Tom Anderson for extortion, bribery and money-laundering charges won't begin until June 25, a delay of more than two months from the scheduled April 9 trial date, a federal judge said Wednesday.

Anderson's defense lawyer, Paul Stockler, sought the delay so he could review as many as 100 additional audio and video recordings made of conversations involving witnesses.

Stockler already has received 50 to 60 CDs and DVDs from the government, but on Wednesday he told U.S. District Judge John Sedwick that prosecutors have alerted him that they plan to turn over even more recorded evidence.

Assistant U.S. attorney Joe Bottini said some of the material is ready for Stockler to pick up now.

Anderson participated in the Anchorage hearing by telephone from Juneau, where he's living with his wife, state Sen. Lesli McGuire, during the legislative session.

He wants a delay, he said, but doesn't know how jurors will react if the trial isn't wrapped up by July 4.

Sedwick said jurors will get time off for the holiday.

Anderson didn't want the trial pushed back so far, but the government insisted on the June date if there was to be any delay, Stockler said.

My client is very antsy about getting the case resolved," he said.

Bottini told Sedwick the scheduling conflict is because of "other matters" coming up that involve the prosecutors and witnesses.

He didn't explain what those "matters" were all about.

FBI - Stevens-628

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

Print Page

Close Window

194A-AN-13620-M-319

**Senate can police itself on ethics, Stevens says -
INTEGRITY: Office would make it too easy to accuse, senator warns.**

Anchorage Daily News (AK)

March 29, 2006

Author: LIZ RUSKIN

Anchorage Daily News

Staff

Estimated printed pages: 2

It's just fine that the U.S. Senate investigates ethics complaints against its own, Sen. Ted Stevens said Tuesday, arguing against legislation to create an independent "office of public integrity" to screen complaints.

The proposed new bureau, one response to the Jack Abramoff influence-buying scandal, would do nothing to restore the public's trust, Stevens maintained.

"The way to restore confidence in the system is for senators to stop repeating rumors about the Senate, to stand up and say the Senate has integrity, and the Senate is doing its job," he said during the Senate floor debate Tuesday afternoon.

His side prevailed, and the amendment failed 67-30.

The vote was part of the Senate's debate on an ethics and lobbying reform bill.

Under the Senate's existing rules, ethics complaints go to the Senate Select Committee on Ethics. The committee releases almost no information about complaints or their resolution except in the most egregious cases.

Sen. Susan Collins, R-Maine, said a public integrity office would remove the appearance that senators were sweeping allegations of wrongdoing under the rug. It would have acted as the committee's investigative arm, she said.

Stevens said the office would merely be an avenue for people to publicize their accusations against a senator. Political partisans outside the Senate are lodging more complaints than ever before, he said.

"We have people accusing us almost daily of having done something wrong, and publishing it through blogs and all that," he said. "I think we should be very careful (not) to set up another tool for these bloggers and these people to use, to create more news, to create more charges against the Senate."

Collins said the office would have been required to follow the Ethics Committee's confidentiality rules.

The committee can't say what complaints have been filed or investigated, but Stevens has lamented to news reporters that one case against him took two years to resolve.

Reporter Liz Ruskin can be reached in Washington at 202-383-0007 or lruskin@adn.com.

Edition: Final

Section: Alaska

Page: B2

FBI - Stevens-629

194A-AN-13620-M-320

Alaska Ear

Anchorage Daily News (AK)

April 1, 2007

Author: Staff

Estimated printed pages: 4

IN TOM'S DEFENSE ... Ear wasn't actually in the Senate Finance conference room Thursday, so it isn't positive the silence was strained as Sen. Gene Theriault presented his proposal to strip lawmakers convicted of felony misconduct, like bribery, of their pensions.

However, Sen. Lesil McGuire, a committee member, was there, and handled the situation with aplomb. She questioned whether such a bureaucratic and complicated-to-enforce penalty was really the best way to send a message against such crimes. What about the rights of wives or ex-wives and children who depend on the pension, people who "happen to have a member in their family who's a bad actor?" she asked. Why not be straightforward and just fine the bad guy \$500,000?

Lesil reminded her colleagues, in case any had just returned from an extended trip to Pluto, that a member of her family has been indicted for conduct committed prior to their marriage. He's not guilty, she said, but if he were, why should she and baby Grayson be punished?

"This is a political bill," she said, putting her finger on what was really going on. "To wave around." But, she finished, "To the degree that this is your political sound bite, I'll vote for it."

Even if the bill passes, it won't apply to Tom. Such laws can't be retroactive. Want to listen for yourself? Check the audio archives at: www.ktoo.org/gavel/stream.cfm.

BAD NEWS ... For Ear and other fans of Noble's Restaurant in Mountain View. It closes this weekend. Part of the much promised, little delivered Mountain View Renaissance, Noble's was unable to attract enough people from outside the neighborhood to make a go of it.

Word is chef/co-owner Rob Kinneen is going to Inlet Towers to ramp up their catering and special events.

DON'T ALL TALK AT ONCE ... Earwigs report former Rep. Tom Anderson is deep in discussion with a local radio station to host his own talk show. And why not? Ear would listen. He's likable and, based on reports that prosecutors have more than 100 CDs of taped conversations and statements in the federal case against him, exceptionally well qualified to talk.

Over at KFQD, Eddie Burke is doing his own morning talk show, daily from 10 to noon. Earwigs report he's taken the Cary Carrigan slot.

* Morning Radio Mouth Rick Rydell has re-upped with Clear Channel for another three years, but who knows who he'll be working for by the time that deal is done. Clear Channel Alaska is still on the block as the nationwide corporation divests itself of its smaller markets.

ON THE MOVE ... TV babe Angela Unruh is leaving KTUU in May for the best of reasons -- to have a baby. Friends say she wants to see what being a mom is like before deciding when to return to the news wars.

* Daily News business reporter Richard Richtmyer is off to a new job in Texas as a technology reporter for the Austin Business Journal. Too much winter here, he said, after enduring five of them. He wants to ride his Harley all year round.

* Longtime assistant U.S. attorney Deborah Smith will be sworn in on April 12 as a U.S. magistrate judge for the District of Alaska. There's a reception later at the museum. FBI - Stevens-630

* Daryl Hollich, a vice president at Bradley Reid advertising, has moved to Porcaro Communications, where he will be the agency's new creative director. Ear is told the advertising world is all abuzz.

HOOKED UP ... Tongues are wagging over a Far North legislator in his 40s dating a 19-year-old legislative aide. (Not his.)

Even if it's so, Lovesick Lobe doesn't see the problem. They're both single and legal. Alors, if you add their ages together and divide by two, their average age is 31.

WE'RE NO. 2 ... Backyard Living magazine ran a contest for the biggest backyard snowmen in America and Snowzilla got beaten by Frosty, a 23-foot nicely manicured creation in Hermantown, Minn.

194A-AN-13620-M-321

At 16 feet, Snowzilla came in second.

GOES AROUND, COMES AROUND ... In a delightful karmic turnaround, pollster Ivan Moore was randomly selected last week by the U.S. Census Bureau to participate in a survey. Participation is required by law. Earwigs report Ivan is grumbling about the survey being 24 pages long.

Speaking of Ivan, looks like he and Elvi Gray-Jackson have finally played the "Joe Millionaire" card in Elvi's attempt to unseat Assemblyman Dan Coffey. Dan, who's lost weight and is looking almost as good as Elvi these days, was one of the people who asked a federal judge to take Josef Bohem's addiction into account when sentencing the businessman two years ago. The judge didn't. He gave Bohem, who was trading drugs for sex with mommas and daughters, the maximum.

Jeez, Dan doesn't even drink.

MILESTONES ... Mary Louise Rasmuson turns 96 on April 11. Friends and family plan to gather at her Palm Springs home to celebrate. Most Alaskans know her only as a philanthropist and widow of banker Elmer Rasmuson. But did you know she was once the head of the WACs? That's the U.S. Women's Army Corps.

FLYING FACTOIDS ... Did you see Lisa Demer's story on Thursday's front page about the scathing OCS report that says the child protection agency is so dysfunctional it should toss itself out and start over? The spanking was administered by an Outside consulting firm called ACTION for Child Protection.

Now check www.hss.state.ak.us/press/2005index.htm and look at the resume of OCS boss Terry Sandoval (a June 7, 2005, news release). Guess where she worked right before coming to OCS? ACTION for Child Protection. Go figure.

GOOD CAUSES ... Kohanic Broadcasting, parent of public radio station KNBA, raised close to \$350,000 at their annual Native art auction last month. Haven't heard yet how much the Alaska Botanical Garden raised last night at "An Evening with Jeff Lowenfels," a \$100/head fundraiser hosted by Sandy and Marc Langland at their home. Maybe not quite as much. But they did offer northern Italian cooking by artist Ayse Gilbert, so maybe.

Compiled by Sheila Toomey ear@adn.com

Graphic 1: Ear logo large_040107.eps

Edition: Final
Section: Alaska
Page: 82

FBI - Stevens-631

**Young may return tainted money -
\$20,000: Recipients of indicted businessman's political donations included
Alaska congressman.**

Anchorage Daily News (AK)

April 6, 2007

Author: KEVIN DIAZ

Anchorage Daily News

Staff

Estimated printed pages: 4

Rep. Don Young might return some \$20,000 in campaign contributions linked to a Wisconsin businessman under federal investigation.

Young had boosted the businessman's trucking company by helping pass new federal truck-hauling rules.

Young has maintained a public silence on the case, though his top aide said this week that Young does not recall ever meeting Dennis Troha, the apparent target of the probe.

Two other congressmen involved in the legislation, Republican Paul Ryan of Wisconsin and Democrat Jim Oberstar of Minnesota, have purged the money they got from Troha and his associates. Young's chief of staff, Mike Anderson, said Young is "considering" doing the same.

While Young's office has denied any link to the investigation, a spokeswoman for the U.S. Attorney's office in Milwaukee declined to say whether Young is "in or out as a subject."

Family members and others associated with Troha were among Young's top campaign contributors in his 2006 re-election, though their money was a tiny fraction of the \$1.9 million that filled his campaign coffers.

Anderson said it is not unusual for people with an interest in federal legislation to make campaign contributions to key committee members like Young.

"There is no personal connection," Anderson said. "Mr. Young wouldn't know Dennis Troha if Mr. Troha walked in and hit him with a bat."

Young, facing criticism from Alaska Democrats, has had Anderson review the legislative history that led to Congress passing a major highway bill in 2005 that included provisions Troha sought. They allow truckers to haul as many as four semi-trailer truck cabs at once.

Federal prosecutors in Milwaukee say they are looking into a deal whereby Troha will be paid by his former trucking company, JHT Holdings, until 2010 as a result of congressional passage of the trucking provisions, which help the firm.

In a separate case, Troha was indicted last month on charges of using family members to illegally funnel more than \$100,000 in campaign contributions to Wisconsin Gov. Jim Doyle and the state's Democratic Party. The federal indictment alleges that Troha was trying to win approval for a casino in his hometown of Kenosha, Wis.

Anderson said Young had no idea Troha stood to gain from the congressional provision allowing longer "saddlemount" truck combinations.

Troha and members of his family donated \$14,000 to Young in 2005, the year Congress passed the highway spending bill increasing maximum multi-truck combinations from 75 feet to 97 feet. Such a change lowers costs for trucking companies.

FBI - Stevens-632

194A-AN-13620-M-322

In all, Troha and his associates have given Young's campaign about \$20,000 since 2003, according to federal campaign records.

Young, as chairman of the Transportation Committee, was instrumental in attaching the trucking rules in the highway bill, as was Oberstar, then the ranking Democrat on the panel. Oberstar received more than \$20,000 in campaign contributions from people associated with Troha.

Ryan, who urged Young and Oberstar to support the trucking provisions, received \$58,000 in contributions from Troha, his family members and his associates.

Ryan has denied any wrongdoing and said he will donate the Troha money to the Boys and Girls Club. Oberstar has said he will give the money he got to the federal treasury.

Anderson did not say how Young might dispense with the Troha money, if at all, noting that he just got his staff report on Tuesday.

But Anderson said none of the contributions was linked to Young's support for the longer truck limits, which he said reduce the number of trucks, saving fuel and wear and tear on highways.

Anderson also denied that Young is linked to the federal probe, which focuses on Troha's financial dealings in Wisconsin.

A federal prosecutor in Milwaukee, however, said Tuesday that she could not say whether the investigation extends to Troha's contributions to Young or other members of Congress.

"I'm not going to confirm or deny that he is or is not a subject," said Michelle Jacobs, a spokeswoman for U.S. Attorney Steven Biskupic in Wisconsin. "What we've put out on this is that we are continuing the investigation into the contributions and transactions involving Paul Ryan, and that's as far as we're going to go right now."

Troha's lawyer, Franklyn Gimbel, is out of the office this week and has not returned several phone messages seeking comment. In the past, he has denied any criminal wrongdoing by Troha, saying he is the victim of a "media feeding frenzy."

Troha sold his share of JHT in 2005, and Gimbel has suggested that the continuing payments reflect his share of the company's increased profits from the new truck rules.

Congressional records show that Ryan and a dozen other House members representing truck manufacturing districts had been lobbying for the rule change since at least October 2003, two months before Troha made his first \$1,000 contribution to Young.

A letter from Ryan to Young at that time said the new length limits, which went into effect this year, would "improve industry safety, reduce miles driven, improve fuel consumption, and reduce congestion on our highways while emitting fewer pollutants."

Some trucker groups opposed the longer length limits, arguing that they would be dangerous, unwieldy and primarily save on labor costs.

The U.S. Transportation Department also rejected the idea, not because longer truck limits would compromise safety but because the proposed changes would be "insignificant" to the industry.

The trucking provisions Young backed were tucked into the highway bill and sent to the full House in February 2005, Anderson said. That was about the same time Troha inked his deal with JHT, and two months before much of the Troha family money started finding its way into

FBI - Stevens-633

Young campaign accounts.

Anderson said Young looked into the new truck-hauling provisions independently and decided they "made sense" and did not compromise safety.

"This is not about Mr. Young doing something to help JHT or Dennis Troha make money," Anderson said. "It's about good public policy."

Reporter Kevin Diaz can be reached at kdiaz@mcclatchydc.com or in Washington, D.C., at 202-383-0003.

FBI - Stevens-634

Lobbyist rules proposed at Assembly

Under new rules proposed by two Anchorage Assemblymen on Tuesday night, people caught committing certain crimes would be banned from lobbying before the city.

Dan Sullivan, who represents West Anchorage, and East Anchorage Assemblyman Paul Bauer proposed the ordinance, which would require potential lobbyists to undergo background checks.

Anyone convicted of a felony, or of any crime related to bribery, extortion or fraud and certain other crimes, wouldn't be allowed to register as a lobbyist. As written, the proposal also would also apply to lobbyists who plead guilty or no contest to those crimes.

One of the top lobbyists before the city, Bill Bobrick, has been linked to the bribery indictment of former Anchorage Rep. Tom Anderson. Bobrick has not been charged with a crime, but has apologized to Assembly members for making some kind of mistake and, more recently, told Assemblyman Dan Coffey that he planned to plead guilty to a felony, Coffey said.

-- Anchorage Daily News

FBI - Stevens-635

194A-AN-13620-M-323

**Former Young aide pleads guilty in corruption case -
ABRAMOFF SCANDAL: Alaska congressman was not implicated or named
during court hearing.**

Anchorage Daily News (AK)

April 25, 2007

Author: KEVIN DIAZ

Anchorage Daily News

Staff

Estimated printed pages: 4

An aide to former House Transportation Committee Chairman Don Young pleaded guilty Tuesday to helping convicted lobbyist Jack Abramoff get business and inside government information in exchange for cash, gifts and job favors.

Mark Zachares, a lawyer on Young's Transportation Committee staff between 2002 and 2005, faces a likely two-year prison term under a deal with the government requiring him and his wife, Cynthia, to cooperate in the widening corruption probe that has already reached a dozen Capitol Hill figures.

Young, R-Alaska, was not implicated in the scheme, nor did his name come up in the half-hour federal court hearing in which Zachares pleaded guilty to a single conspiracy count and surrendered his passport.

Zachares, flanked by his lawyer and a U.S. Marshal, said little during the hearing other than confirm federal prosecutors' allegations with a firm "Yes, your honor," or "No, your honor."

Asked finally how he pleaded, he said "Guilty, your honor," ending a pro-forma series of questions from U.S. Judge Ellen Huvelle, who is presiding over much of the Abramoff litigation.

Zachares, in a black suit and a blue tie, left the courthouse without talking to reporters.

His lawyer, Edward MacMahon, called him "a good man who has taken responsibility for the things that he did."

Zachares' most recent business card from the committee gave his title as special counsel to chairman Young.

"He was the go-to guy on Alaska issues for the transportation committee," said Karl Ohls of the North Star Group, a small lobbying firm in Washington specializing in Alaska matters.

Zachares spent time in Alaska as a young man and attended the University of Alaska Anchorage, where he played basketball in the first Great Alaska Shootout tournament in 1978.

His father, William Zachares Jr., served in the Air Force for 30 years, retiring in 1976, according to a 2002 newspaper announcement celebrating his parents' 50th wedding anniversary. His mother, Sarah Zachares, was a nurse. In 1977, the family settled in Kotzebue, where they lived for six years. The parents and their other son now live in Anchorage. They didn't return messages left on their home answering machines.

After leaving the Transportation Committee, the 49-year-old Zachares is now working in sales, MacMahon said.

Richard Pilger, a Justice Department prosecutor, told the court that Zachares' "cooperation may be ongoing for some time."

FBI - Stevens-636

194A-AN-13620-m-324

Standing before the court, Zachares acknowledged that he and Abramoff began forming their illegal partnership in late 2000, when Zachares was working as Labor and Immigration Secretary for the Commonwealth of the Northern Mariana Islands, a U.S. possession in the Pacific. At the time Abramoff was a Washington lobbyist for the commonwealth.

Their relationship, which they dubbed a "two-year plan," actually continued until late 2004, by which time Abramoff had helped Zachares land a Capitol Hill job on Young's committee. There, Abramoff described Zachares' role to a fellow lobbyist as "Zack pulling our load inside."

In all, Zachares admitted that he accepted more than \$30,000 in tickets to sporting events and a luxury golf trip to Scotland, as well as \$10,000 in cash from Abramoff, who is now in prison.

In exchange, he said, he helped steer business to Abramoff and his lobbying firm and provided him with inside government information on maritime issues, federal aid and the reorganization of the Homeland Security Department.

MacMahon and federal prosecutors declined to say whether Young or other Transportation Committee members were aware of Zachares' dealings with Abramoff.

Young maintained his public silence on the matter Tuesday.

Young has been dogged for more than a year by his past ties to Abramoff.

Since 1999, Indian tribes represented by Abramoff gave about \$20,000 to Young's campaign and his political action committee. Young's campaign also acknowledged using Abramoff's skybox at Washington's MCI Center for several fundraisers. Another former Young aide, Duane Gibson, later went to work for Abramoff's lobbying firm, Greenberg Traurig.

Young was also linked to one of Abramoff's lobbying successes -- blocking a 2000 bill that would have made the garment industry in the Northern Mariana Islands comply with federal labor laws. Young, then chairman of the House Resources Committee, said at the time that the government lacked credible information about alleged civil and human rights abuses there.

Young's allies note that he was hardly a top lobbying target for Abramoff, who together with his many clients bestowed more than \$4 million in political contributions on hundreds of members of Congress.

The single felony count against Zachares comes as federal investigators have been intensifying their probe of Abramoff's connections to Congress. Besides Zachares' cooperation, prosecutors revealed Tuesday that they interviewed his wife on Feb. 23.

According to Pilger, she is being offered a separate deal that will shield her from prosecution.

Zachares, the 11th person to plead guilty in the Abramoff scandal, could have faced a five-year prison sentence. But under advisory guidelines worked out with prosecutors, he likely faces a range of 18 to 24 months, according to Judge Huvelle.

FBI - Stevens-637

Code of silence

Don Young disrespects Alaskans by dodging scandal questions

Alaska Congressman Don Young had a corrupt aide working on his House transportation committee. The aide, Mark Zachares, traded favors with convicted lobbyist Jack Abramoff. Tuesday, Zachares admitted his crime in federal court.

FBI - Stevens-638

What does Don Young have to say about it?

Nothing.

No statement of regret. No promise to get to the bottom of what happened. No comment on whether he knew what was going on under his nose. No answers to the obvious questions about whether he was personally involved in hiring the aide or in any of the corrupt arrangements.

The congressman is silent, and with his silence, he is flouting his obligation to be accountable to the people who elect him.

Congressman Young can't just brush this scandal off as the excesses of a rogue employee. Zachares is a rogue, but it is well established that Congressman Young accepted campaign money steered his way by Zachares' patron, Jack Abramoff. Congressman Young took positions favored by Abramoff and his clients. A coincidence?

Young isn't saying.

Zachares was accused of scheming to "secure official action on maritime issues for Abramoff clients." Did Congressman Young take any such official action, either knowingly or unknowingly?

He isn't saying.

Prosecutors charged Zachares with trying to "advance federal support for a multimillion-dollar highway development project benefiting a businessman." Who was the businessman, and did Congressman Young fund that project, knowingly or unknowingly?

He isn't saying.

According to a report in Florida last year, Don Young mysteriously steered \$10 million to a local highway project needed by a local developer, who helped organize a \$41,000 fundraiser for Congressman Young. Is this the arrangement mentioned in the charges against Zachares?

He isn't saying.

These are obvious questions arising from the scandal at Congressman Young's transportation committee.

As long as Congressman Young keeps silent, he will leave Alaskans and the nation wondering. They'll be wondering whether he cares about the scandal that oozed out of his own committee. They'll ask themselves: Does the congressman have something to hide?

He isn't saying.

BOTTOM LINE: It's past time for Congressman Don Young to answer questions about the

scandal in his congressional committee.

FBI - Stevens-639

**Young aide's link to Abramoff sheds new light on Marianas bill -
MYSTERY: How did Zachares land a job on congressman's committee?**

Anchorage Daily News (AK)

April 29, 2007

Author: RICHARD MAUER

Anchorage Daily News

Staff

FBI - Stevens-640

Estimated printed pages: 6

The guilty plea last week by a former senior committee aide to Rep. Don Young sheds new light on the circumstances surrounding Young's success seven years ago in blocking reforms of the sweatshop industry on the Mariana Islands.

But the plea also raises new questions about why Young, R-Alaska, took the actions he did.

Former Alaskan Mark Zachares, a Mariana Islands official when Young blocked the reforms, admitted Tuesday that he later conspired to illegally use his official position on the House Transportation Committee to enrich disgraced lobbyist Jack Abramoff, once the lobbyist for the island commonwealth.

Zachares admitted engaging in the conspiracy for nearly four years -- including more than two years under the noses of Young, the committee chairman, and the committee's chief of staff, former Alaska state Sen. Lloyd Jones, a long-term Young aide from Ketchikan.

A spokesman for Young said the congressman wouldn't talk about Zachares. Jones didn't respond to requests for comment last week.

In return for doing Abramoff's bidding, Zachares received more than \$60,000 in cash and benefits plus the promise of a lucrative career working in one of Abramoff's companies, according to the charges.

Zachares, 49, is now cooperating with U.S. prosecutors, who have already notched 11 convictions in the Abramoff scandal.

YOUNG BLOCKS BILL

After Zachares' father retired from the Air Force, the family moved to Kotzebue in 1977, where his mother, a nurse, worked for the Indian Health Service. Zachares attended the University of Alaska Anchorage and played for UAA in the first Great Alaska Shootout in 1978. He eventually became a lawyer.

From 1994 to 2002, Zachares worked in Saipan for the Commonwealth of the Northern Mariana Islands (CNMI), a string of tiny islands under U.S. jurisdiction north of Guam. Starting in 1998, he was the commonwealth's secretary of labor and immigration, according to the criminal information.

Abramoff was the commonwealth's lobbyist. According to the Saipan Tribune, he was paid at least \$11 million from 1994 to 2001 to prevent Congress from interfering with local regulation of wage rates and immigration -- the two issues under Zachares' authority.

"Beginning in the mid-1990s, Zachares came to have extensive contact with Abramoff during Zachares' tenure as an official of the CNMI, and Zachares and Abramoff became personal and professional acquaintances," the charging document said.

The island economy was booming with garment factories relocated from Asia and run by guest workers from Bangladesh, China and other countries. Clothing produced there is

194A-AN-13620-m-326

exempt from duties and is allowed to be labeled "Made in U.S.A." - desired by American retailers -- but the exemptions from U.S. immigration and labor laws led to widespread reports of abusive practices.

Reform efforts surfaced over the years, including in 2000. That was Young's last year as chairman of the House Resources Committee, which has jurisdiction over U.S. territories. A bill reached his committee that would have imposed U.S. immigration laws on the Northern Marianas, ending the freewheeling local policies.

Young stopped the bill cold, saying it interfered with the commonwealth's right to self-rule. He was supported by then Majority Whip Tom DeLay, who described the Marianas as "a perfect petri dish of capitalism."

"I'm not going to move anything," Young said at the time. "Why should you move anything that's really been fueled, very frankly, by hysteria reporting by the media?"

Young's assertion was false. The measure that found its way to Young's roadblock was fueled by the eyewitness account of none other than U.S. Sen. Frank Murkowski, R-Alaska.

ABUSES APPALL MURKOWSKI

Murkowski was then chairman of the Senate Energy and Natural Resources Committee, which had parallel jurisdiction over the Mariana commonwealth. In 1996, he traveled to Saipan and was outraged by the human rights abuses he saw.

Visiting one garment factory, Murkowski said, he "talked with some Bangladesh workers who had not been paid and who were living in appalling conditions." He also described a young woman taken to Saipan as a minor and forced to work as a prostitute.

"This was occurring under the U.S. flag and supposedly with the protection all U.S. citizens enjoy under our Constitution," Murkowski said in a Senate speech in 1999.

His response was to initiate an immigration reform measure. His bill passed the Senate unanimously in February 2000 but never got to the floor of the House.

That was years before "Abramoff" or DeLay's "K Street Project" -- the granting of special access to Republican lobbying firms -- had entered the popular vocabulary. Both were at work in preserving the status quo in Saipan.

"Abramoff teamed up with DeLay in defeating a proposed legislation passed by the U.S. Senate that would have stripped the CNMI of its exemption from the U.S. minimum wage and immigration laws," the Saipan Tribune reported in 2002.

While Young won't answer questions now, he said in an Op-Ed piece in the Daily News last year that he was convinced to oppose reforms by Saipan officials, not Abramoff.

"I have never had any personal or professional relationship with Abramoff. My congressional campaign and political action committee have never received a contribution from Abramoff. I have personally never received one cent from him," Young wrote.

But Young and Abramoff continued to intersect after the death of Murkowski's immigration legislation, the charges against Zachares reveal.

ABRAMOFF TIED TO ZACHARES

Term limits forced Young to give up the House Resources Committee after the 2000 election. But his seniority earned him another chairmanship, this one in control of hundreds of millions of dollars in pork-barrel spending -- the House Transportation and Infrastructure

FBI - Stevens-641

Committee.

One of the mysteries in the Zachares case is what led Abramoff to find a job for him on Young's committee.

From late 2000 through 2001, Abramoff tried to get Zachares appointed as director of insular affairs, the Department of the Interior position that oversees the commonwealth and other U.S. territories, according to the charges. For unexplained reasons, he was unsuccessful.

Zachares left his job in Saipan in January 2002 and asked Abramoff for money, according to the charges. Abramoff paid him \$10,000. At the same time, prosecutors said, Abramoff continued to look for a place for Zachares to land.

That place turned out to be Young's committee.

Zachares was hired as legal counsel to its Oversight and Investigations subcommittee, then became staff director for the Coast Guard and Maritime subcommittee. The then-chair of that subcommittee, Rep. Frank LoBiondo, R-N.J., said he had nothing to do with hiring Zachares.

"Congressman Don Young, who was chair of the full House Transportation and Infrastructure Committee during that time, was solely in charge of the hiring, firing and daily management of staff, including Mark Zachares," LoBiondo press secretary Jason Galanes said in a prepared statement last week. "Despite being a subcommittee chair, Congressman LoBiondo had no input in the selection or management of staff members for the Coast Guard and Maritime Transportation Subcommittee."

HANDING OUT FAVORS

While doing favors for Abramoff from his positions on Young's committee, Zachares was rewarded with all kinds of favors, from being invited on a \$160,000 golf trip to Scotland to use of Abramoff's luxury box seats at the MCI Center in Washington where the Wizards of the NBA and Capitals of the NHL play.

Young also used Abramoff's Skybox at the MCI Center for several political fundraisers, campaign spokesman Steve Dougherty told the Daily News last year. Most of those events took place during Capitals hockey games, he said.

Dougherty would not say whether Abramoff was reimbursed for the use of the skybox. "My answer to you is we pay for all costs that the campaign is legally responsible for," he said.

While records confirm Young's statement that Abramoff himself never gave Young campaign money, Abramoff's clients have given at least \$20,000 to Young's campaigns and his Midnight Sun political action committee since 1999, according to the Center for Responsive Politics, a public interest nonprofit, and campaign finance reports.

On March 12, three weeks before a Justice Department lawyer signed the charges against Zachares, Young spent \$25,000 of his campaign money to retain a Washington law firm. Dougherty said the firm, Akin Gump, was hired to advise Young on campaign finance questions related to a donor involved in another scandal, indicted Wisconsin trucking executive and gambling casino developer Dennis Troha.

REFORM ON AGENDA

Now, with Abramoff in prison on fraud and bribery charges and Democrats in control of Congress, reform in the Northern Marianas has once again returned to the political agenda.

FBI - Stevens-642

Last year, a new governor in Saipan demanded that Abramoff's firms return all the money the government paid him over the years now that the commonwealth was getting nothing but bad publicity for having hired him. Abramoff lost his contract there in 2001.

And this year, Young's longtime nemesis in House Resources, Democrat Rep. George Miller of California, inserted a provision in the Iraq spending bill that would extend the U.S. minimum wage to the commonwealth. The measure passed the House and Senate, but is expected to be vetoed by President Bush because of its deadline to withdraw troops from Iraq.

Miller, the new Resources chairman, has been saying for years that failure to reform immigration and labor policy in the Marianas has not only enriched Abramoff and his clients, it's caused real human suffering and threatened national security.

"The core corruption in the CNMI is the failure to apply our federal immigration laws to this part of the United States," Miller said in a 1999 oversight hearing chaired by Young. "As a result, organized crime, communicable disease and human exploitation, directly attributable to the CNMI's lax immigration laws, not only thrive in Saipan, but threaten every American. The time has long since passed to slam the door shut on these abuses and to restore federal law to the Marianas."

Reporter Richard Mauer can be reached at 257-4345 or at rmauer@adn.com.

FBI - Stevens-643

[<<Back](#)



Radio talk hosts, listeners weigh in on corruption indictments

by Jason Moore
Friday, May 4, 2007

ANCHORAGE, Alaska -- It didn't take long before word of the indictments started spreading today.

Aside from e-mails, phone calls and Web site messages, the news also hit the airwaves, first on radio.

The news of the indictments broke at about noon and KUDO talk show host Shannyn Moore was on air.

"So here's the scoop -- this just in -- former state legislators Pete Kott and Bruce Weyrauch have been indicted," she announced.

It's the kind of story radio talk show hosts thrive on: charges of corruption and politicians being bribed.

"This is basically, I mean the net profits tax, as far as I can see, was bought and paid for by the not-named company that rhymes with Stinko," said Moore.

And Dan Fagan had something to say as well.

While Fagan and Moore couldn't be further apart in their political views, they read this issue the same.

"The FBI has on tape VECO's CEO and vice president saying we need to get Pete Kott some more money let's get his son some more money. Do you need to hear anymore?" Fagan said on his radio show.

Rumors have circulated since FBI agents raided the offices of six lawmakers last August. The raids provided fodder for speculation then as well as now, after the first arrests.

"This is a big damn deal and I don't think these are the only guys going down," said Moore.

Slowly, word filtered out and the calls started coming in.

"This whole Pete Kott thing this is kind of an example of what goes on in D.C., with a lot of politicians, representatives and congressmen," said one listener. "They are bought and paid for."

And the talk is only beginning.

Jason Moore is managing editor of Channel 2 News. Contact Moore at jmoore@ktuu.com

FBI - Stevens-644



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

A dark day

Indictments tell an ugly story

The constitutional protections of our criminal justice system say the accused are innocent until proven guilty. And, not everyone who is indicted gets convicted. But that is of little comfort to Alaskans reading today about federal indictments on corruption charges against two former state House members and one sitting legislator.

The indictments tell of so much cash moving from business-executive hands to legislators in a Juneau hotel suite that the room should have been licensed as an ATM site. The lawmakers were so busy allegedly soliciting work in exchange for their support on legislation, the room could have doubled as a job service office.

Even if just one of the multiple allegations is true, former Republican Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau and current Republican Rep. Vic Kohring of Wasilla owe the public a deep apology. It's a sad day for Alaskans, and it will take a long time to rebuild the public's trust in its elected officials.

BOTTOM LINE: Most elected officials are honest, but the bad ones ruin it for everyone.

FBI - Stevens-645

194A-AN-13620-M-328

Feds charge 3 in Juneau -**REACTION: Rumor mill runs wild as three legislators stand handcuffed in federal court.***Anchorage Daily News (AK)**May 5, 2007**Author: SABRE AYRES**Anchorage Daily News**Staff**Estimated printed pages: 3*

By 8:30 Friday morning, the Capitol rumor mill was flaming hotter than it had in months. Whispers swirled that indictments were on the way. Everyone was checking sources. Legislative aides compared notes in hallways. Normally media-shy lawmakers asked reporters "What are you hearing?"

Security guards at the front desk joked that they were keeping an eye out for tinted-window vans full of FBI agents.

By the end of the day, three state legislators-- one of them still in office -- were standing handcuffed in a federal courtroom on charges of extortion and bribery. Lawmakers, less than two weeks from adjourning, questioned what events would mean for work still undone on Gov. Sarah Palin's gas line legislation, an ethics bill and the state budget.

"It made my stomach turn," said Sen. Hollis French, D-Anchorage, of the indictments. He said the charges raise questions about legislative passage of an oil tax last year.

Senate Minority Leader Gene Therriault, R-North Pole, agreed.

"Last year during the oil tax battle, we heard about stuff like this going on," Therriault said. "But now we read the indictment and there's quotes in there that suggest it was (actually) happening."

Rep. Jay Ramras, a Fairbanks Republican, suggested the arrests would give momentum to Palin's gas pipeline proposal. Palin has emphasized an open and competitive application process to getting a North Slope gas line built, he said.

Others thought it was a hard knock, particularly for Weyhrauch, who made statewide news last month after falling out of his boat in Auke Bay and barely surviving hypothermia.

Speculation about the feds and indictments has been around for months. The FBI investigation that netted former Rep. Tom Anderson in December while he was still in office had an unfinished feel about it. Questions about who was next lingered, coloring the whole 2007 session.

By Friday afternoon, the buzz had focused on three current legislators whose offices the FBI searched last summer -- Sens. John Cowdery, R-Anchorage; Donny Olson, D-Nome; and Rep. Vic Kohring, R-Wasilla.

Olson and Cowdery braved the stares and tension, keeping their regular schedules, attending committee meetings and a floor session.

"I have no problems with my indictment," Cowdery told KTUU-TV. "I don't think it's ever going to be one."

Over in the House, Kohring, who works and sleeps in his office during the legislative session, was absent; he had been officially excused until Sunday for back surgery.

FBI - Stevens-646

according to his office.

By late afternoon, the two senators were gone from the building. Their offices declined to say where. But Kohring had been indicted. He turned himself in, was arraigned and released. He pleaded not guilty and his lawyer said he would fight the charges.

By 5 p.m., federal prosecutors handling the case signaled their work was done.

Done for Friday.

No one thought it was over.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531

FBI - Stevens-647

**Feds charge 3 in Juneau -
Kohring, Kott and Weyhrauch plead not guilty to extortion and bribery counts**

Anchorage Daily News (AK)

May 5, 2007

Author: RICHARD MAUER, LISA DEMER,

SABRA AYRES and KYLE HOPKINS

Anchorage Daily News

Staff

FBI - Stevens-648

Estimated printed pages: 6

Three more state legislators were arrested on federal corruption charges Friday, accused of selling their votes and influence to the oil field services company Veco Corp. and its chief executive, Bill Allen, during last year's debate on oil taxes.

Acting on felony indictments brought by the Justice Department's Public Integrity Section, federal agents arrested the three Republicans in Juneau -- one a sitting legislator, Rep. Vic Kohring of Wasilla, and two others who left office in January, Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau.

Each was brought in handcuffs before a federal magistrate judge, and each pleaded not guilty to bribery, extortion and conspiracy and was released on \$20,000 bond. The charges carry penalties of between five and 20 years in prison and \$250,000 in fines.

The indictments, unsealed with the arrests, describe a conspiracy among the legislators, Veco, Allen and Veco's vice president for government affairs, Rick Smith, to steer an oil-production tax bill favored by the industry through the Legislature last year.

The bill was seen as a prerequisite for the North Slope oil producers to agree to build a natural gas pipeline. Ultimately, Veco, Allen and Smith wanted to see a gas line built that would help the company through contracts with the oil companies, the indictments charged.

Veco, Allen and Smith were neither charged nor directly named in the indictments. But "Company A," "Company CEO" and "Company VP" are described in long passages in the indictments, and those descriptions point unmistakably to them. Veco's attorney, Amy Menard, confirmed the identifications.

Allen's lawyer, Bob Bundy of Anchorage, wouldn't comment on what might be in store for his client.

"Veco and Bill have cooperated completely with the government's investigation," Bundy said.

WADS OF CASH

The charges describe the three lawmakers seeking money, jobs or both for themselves or family members, and Veco willing to oblige. Much of the activity described in the charges took place in Veco's suite in Juneau's Baranof Hotel, Room 604, during the 2006 legislative session.

Direct quotes attributed in the indictments to the three legislators and to Allen and Smith suggest the FBI conducted some form of electronic surveillance in the room and perhaps on telephones as well.

Kott's lawyer, Jim Wendt, said the room contained a hidden camera. He learned about the surveillance when the prosecutors offered to make a deal with him. They revealed snippets of their evidence, including video from inside a Baranof room, Wendt said.

FBI spokesman Eric Gonzalez wouldn't confirm whether agents used wiretaps or hidden

cameras. A Baranof employee on Friday said the hotel would not discuss the use of the suite.

The charges portray Kohring, 48, elected seven times by Mat-Su voters, as an eager-to-please loyalist pleading for opportunities to do Veco's bidding.

In a phone call Feb. 21, 2006, for instance, Kohring told Smith he was willing to help Veco "in terms of any questions that need to be asked, any information that needs to be sought out, any points to make in caucus, or in committee meeting, on radio columns ..."

On March 22, Kohring offered to be Smith's "information source," that he would "lobby on (Veco's) behalf," and that he would "consider modifications to legislation or whatever" if they asked.

Two days later, he told Smith over the phone that he was standing by to "do anything to help," that he would continue to advocate "good things for you guys" and that he wanted Smith to tell Allen that he was doing whatever he could "to help out."

By March 30, Kohring appeared to be looking for payback. Meeting with Allen and Smith in Suite 604, he asked for work or for a \$17,000 loan to pay off past-due credit card debt. The three discussed how to structure the transaction so it could avoid detection and reporting to the Alaska Public Offices Commission.

Allen then asked Smith if he had any "hundreds." Smith reached for his wallet and handed Allen a bunch of small bills -- perhaps \$100, according to the indictment. Allen passed the money to Kohring.

Thanking them for the money, Kohring repeated that he was broke. Allen gave him another wad of cash, between \$500 and \$1,000, the indictment said.

"What can I do at this point to help you guys, anything?" Kohring said.

"Whatever you, you know," Allen said.

But between themselves, Smith and Allen seemed to have little respect for Kohring. On March 4, Allen told Smith of another \$1,000 he gave to Kohring. One result of that payment: Kohring "would kiss our ass," Allen said.

Kohring's attorney, John Henry Browne of Seattle, said Kohring will fight the charges: He said Kohring is an uncomplicated man who sleeps on his office couch and doesn't own a cell phone or even a car. Kohring's constituents knew he was under investigation last fall and re-elected him anyway, Browne said.

LAWMAKERS WANTED JOBS

Kott, 57, the House speaker in 2003 and 2004, represented Eagle River from 1992 until his defeat in the Republican primary last year.

Weyhrauch, 54, a private-practice attorney married to an assistant state attorney general, represented Juneau for two terms, choosing not to run last year. Just last week, his boat was found adrift in Auke Bay. Weyhrauch was missing overnight. When he was rescued on an island the next day, he said he had accidentally fallen overboard and swam to safety.

Kott's role in the alleged conspiracy began earlier than Kohring's, according to his indictment. On Sept. 26, 2005, Kott called Smith and said, "I need a job."

Smith's reply: "You've got a job; get us a pipeline."

FBI - Stevens-649

A few minutes later, Kott, apparently aware that a Veco subsidiary was building a prison in Barbados, told Smith, "I just want to be the warden in Barbados."

In February, Allen and Smith discussed their influence over Kott in what they apparently believed was a private conversation.

"We got more money in Pete Kott than he can even think about it," Allen said.

In March, Kott reported to Allen and Smith in the Baranof that he was putting the squeeze on another legislator by blocking that legislator's bill until he supported Veco's version of the oil tax measure. Kott said he wouldn't release the "hold" until Allen said it was OK.

In May, Kott told Allen in Suite 604 that he succeeded in defeating a tax amendment Allen opposed. "I had to get 'er done," Kott was quoted as saying. "I had to cheat, steal, beg, borrow and lie."

Allen's response to Kott: "I own your ass."

On June 1, Allen handed Kott \$1,000 in cash. Kott said he wanted to become a lobbyist after leaving the Legislature.

"Well, you will be," Allen said.

The indictment also said that Veco paid a "fraudulently inflated" invoice of \$7,993 to Kott's flooring company in August.

Kott's attorney, Jim Wendt of Anchorage, said Kott "didn't really break any law" and would fight the charges.

FLIP-FLOP VOTE

Weyhrauch also professed to be having financial difficulties; according to the charges. On May 4, he mailed a solicitation to Allen, offering to do legal work for Veco.

Allen and Smith talked about the bid, and decided that Weyhrauch was connecting it to his support for the tax measure. Three days later, Weyhrauch voted the "wrong way" on a tax amendment, then changed his vote after instructions from Kott and Allen, the indictment charges.

Weyhrauch flew to Anchorage after the regular session ended in May for a meeting with Allen. Just before the meeting Allen and Smith decided they needed Weyhrauch's vote, but would "string" him along before giving him legal work.

Then, on June 5, another legislator is introduced in the indictment, "Senator A." The indictment said Allen told "Senator A" that Weyhrauch would support the favored tax bill because of the promised legal work.

"Senator A" was identified in the indictment only as a legislator whose term ended in January.

Three former senators match that description: Ben Stevens, R-Anchorage; Ralph Seekins, R-Fairbanks; and Gretchen Guess, D-Anchorage.

Guess said it's not her. She said she didn't have any of the conversations described in the document, and had an alibi as well -- she had just given birth around the time of some of those conversations.

Seekins said it's not him. "I don't recall ever even having a phone conversation with Bill Allen

FBI - Stevens-650

when I was in the Legislature," he said.

Stevens didn't return a telephone message and his wife, Elizabeth, said he wasn't home. His lawyer, John Wolfe of Seattle, said Stevens doesn't know who "Senator A" is.

Of the three, only Stevens had his offices searched by FBI agents last year, and only Stevens was on the Veco payroll as a consultant.

"Ben Stevens maintains he is innocent of any and all criminal activity," Wolfe said. "Questions about Senator A should be directed to the U.S. Attorney's office."

Weyhrauch's lawyer couldn't be reached for comment.

Stevens has not been charged, nor have two other legislators whose offices were searched, Sen. John Cowdery, R-Anchorage, and Sen. Donald Olson, D-Nome.

The FBI investigation of Alaska's Legislature and its relationship with Veco and other companies became public in August, when agents raided the offices of six sitting legislators.

Since then, one other former House member, Republican Tom Anderson of Anchorage, was charged in December with taking \$12,828 in bribes from a lobbyist representing private prison interests.

In a prepared statement Friday, Veco said it was fully cooperating with the federal investigation and has retained experts "to review and assess its corporate operations and practices and to implement a corporate compliance plan."

The company said the allegations about its top officials are not representative of the kinds of work its 4,000 employees perform in Alaska and around the world.

Daily News reporter Richard Mauer can be reached at rmauer@adn.com Lisa Demer can be reached at ldemer@adn.com, Sabra Ayres at sayres@adn.com and Kyle Hopkins at khopkins@adn.com.

FBI - Stevens-651

**Kohring's committee post pulled -
OIL, GAS: Arrests also put spotlight on 2006 petroleum profits tax law.**

Anchorage Daily News (AK)

May 6, 2007

Author: TOM KIZZIA and SABRA AYRES

Anchorage Daily News

Staff

Estimated printed pages: 6

The chairman of a key state House committee was deposed and Alaska's most important oil tax law fell under new scrutiny Saturday as lawmakers reacted to the arrest of one current and two former legislators on federal corruption charges.

Rep. Vic Kohring, R-Wasilla, will lose his chairmanship of the Special Committee on Oil and Gas, House leaders said. Kohring was charged with selling his vote on oil taxes last year to oil field services company Veco.

The House committee had an important early role in shaping gas pipeline legislation this year. Republican majority leaders placed Kohring in charge of the committee this session, even though he was one of six legislators whose offices were raided by the FBI in a Veco-related probe last fall.

Kohring appeared before a federal magistrate Friday in handcuffs to face charges of bribery, extortion and conspiracy. Also appearing were two Republican colleagues from last year's legislative session, Pete Kott of Eagle River and Bruce Weyhrauch of Juneau. All three pleaded not guilty.

In detailed indictments, the three were charged with selling their votes and influence over other legislators for money and jobs during the 2006 legislative session.

The legislation in question was an overhaul of the state's oil production tax, which pays for most of state government and adds to the Alaska Permanent Fund. Veco wanted to keep the oil tax low and also was pressing for construction of a gas pipeline from which it would profit, according to the indictment.

Gov. Sarah Palin said Saturday that in light of the indictments, she wants a review of how the Legislature made its decision on the petroleum profits tax, known as PPT, and also a look at how well the tax is working.

"Yesterday's activities reinforce to me the desire and the need to revisit and evaluate the PPT to ensure Alaskans are getting the proper value for our natural resources," Palin said. "Alaskans need to know whether it was a fair debate or not. And whether there was unfair influence and if that influence led to the rate that was adopted."

Legislators from both parties seemed to agree. But with only 11 days to go in this year's legislative session, no one was predicting an immediate effort to change the tax. FBI - Stevens-652

The mood in Juneau Saturday was subdued, said Rep. John Coghill, R-North Pole.

"There's definitely a cloud over the whole Legislature," Coghill said.

'IT TAKES TWO TO TANGO'

Several legislators predicted that the arrests, and the appearance of undue oil industry influence, would strengthen Palin's hand as she pushes her Alaska Gasline Inducement Act, which is her plan for promoting a gas pipeline. Palin has been at odds with the major oil

194A-AW-13620-M-331

producers over how to build the line, with legislators poised in the middle.

"You know, it takes two to tango," the governor said Saturday. "Yesterday it was the Legislature who was under fire. But those who were exerting their powers will also have to be held accountable. And I think Alaskans will be very disappointed if they learn that the same people are still exerting power as the Legislature discusses AGIA."

Palin said she hopes no one in the Legislature uses Friday's arrests as an excuse to halt progress on her bill.

"I wouldn't want to stand in the way of that train now," said Sen. Tom Wagoner, R-Kenai, a supporter of the Palin bill.

Palin swept to electoral victory last fall on a campaign for ethics reform and open government, boosted by a pre-election FBI raid in late August that has opened into the biggest legislative scandal in Alaska history.

Major ethics reform legislation has been passed in both the House and Senate this year, but a final bill appears stalled by what appears to be disputes over personalities and who gets credit. No one was predicting that Friday's arrests would remove the logjam on ethics.

Palin called the stalling of ethics reform "perplexing."

Veco and its officials have not been charged with anything. But Veco was easily identifiable as "Company A" in the charges, and Veco's lawyer confirmed the identification on Friday.

For years the company has been a huge influence in Juneau, in terms of both campaign contributions and lobbying. Since the FBI raids Aug. 31, it has had very little visible presence in the Capitol.

A fourth legislator targeted in the federal probe, former Rep. Tom Anderson, R-Anchorage, was charged in December with taking bribes from a lobbyist representing private prison interests. Anderson also had a private consulting contract with Veco, but that was not a factor in the charges against him.

Kohring is the first sitting legislator charged with corruption since two state senators faced charges in the early 1980s. One, George Hohman, was convicted of bribery in 1981 and expelled from the Senate. The other, Ed Dankworth, left voluntarily but never faced trial after successfully appealing his 1982 conflict-of-interest charges.

The state constitution says members of the Legislature can be expelled on a two-thirds vote of the body they serve in, but it requires no particular response in the event of criminal charges or convictions.

INNOCENT UNTIL PROVEN GUILTY

House leaders were struggling Saturday to find a position that would be fair to Kohring but also protective of the Legislature's reputation. They said they considered him innocent until proven guilty -- but nevertheless decided to strip him of his committee chairmanship.

Kohring is expected to continue appearing as a voting member of the Legislature, said House Speaker John Harris, R-Valdez. But a special committee will be named Monday to remove him as chairman of the oil and gas committee, a position he has held for four years.

"You have to go under the assumption innocent until proven guilty, except in our business, a lot of what we do comes with public perception, and there is a cloud of suspicion over us," Harris told The Associated Press. "We need to make sure we remove that as much as possible."

FBI - Stevens-653

Coghill said no review of Kohring's work on the gas line bill early in the session is necessary. The still-pending legislation has been through many hearings and changes since then, he said.

A LIKABLE MAN

Kohring will find emotional support from his House colleagues, many of whom find him to be likable, during what must be a difficult time for him, Coghill said. But no one is likely to come to his defense on the alleged bribery case, he added.

Still, Coghill defended the leadership's earlier decision to make Kohring chairman.

"An investigation isn't an indictment, and an indictment isn't a conviction," he said.

Kohring's leadership position was not challenged when the session began, but objections were raised by minority Senate Republicans when Sen. John Cowdery, R-Anchorage, another FBI search target, was named chairman of the powerful Rules Committee. The minority said the committee chairman shouldn't be someone under "a cloud of suspicion."

The state's oil tax code came up for revision in 2006 after oil prices skyrocketed and legislators decided the old tax laws weren't giving the state much of the windfall. A revised oil tax was seen as a necessary prelude to working with oil companies on a gas line.

Some legislators wanted to continue taxing gross production in Alaska's oil fields, but the majority supported a net-profits tax proposed by Gov. Frank Murkowski, which would allow oil companies to deduct expenses.

Fierce debate raged over how high to make the PPT.

The federal indictments released Friday say Veco was pushing legislators to hold the line at a 20 percent tax. Others argued for a rate as high as 30 percent. Even Kott said he would have supported 30 percent were it not for Veco chief executive Bill Allen, according to a taped conversation cited in Kott's indictment.

The rate finally adopted in August, after two special sessions, was 22.5 percent.

Two of last year's candidates in the governor's race, Palin and Democrat Tony Knowles, said they had some concerns about the Murkowski-backed PPT but wanted to give it a chance before attempting any revisions.

The new tax, which was retroactive to April 2006, boosted last year's oil field return to the state by \$800 million, to about \$2 billion, according to the state Department of Revenue. But that was some \$150 million less than expected. Of that shortfall, \$50 million was because oil company deductions were higher than anticipated. FBI - Stevens-654

Coghill said any effort to revisit the PPT could be made next year, when he expects the Legislature to look at natural gas taxes as part of its gas line effort. Sen. Hollis French, D-Anchorage, also said it might be good to "cool down a bit" and take up the tax next year.

Former Rep. Ethan Berkowitz, D-Anchorage, who pushed for a tax on the gross as House minority leader last session, said a special session to address the oil tax was in order because of the high stakes -- both in terms of the state's finances and the Legislature's reputation.

But it makes sense to wait, he added, until further revelations emerge about the FBI investigation and what took place last year in Veco's suite in the Baranof Hotel.

"We don't know who else went into Room 604," Berkowitz said. "Would that paralyze or motivate them? We have to see where it unfolds."

Daily news reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 1-907-235-4244. Sabra Ayres can be reached at sayres@adn.com or in Juneau at 1-907-586-1531.

GO ONLINE to read the indictments and past stories, listen to audio, or post your opinion.

Caption:
Kohring

Weyhrauch

MICHAEL PENN / Juneau Empire

Former state Sen. Pete Kott is led out of a federal courtroom by FBI agents in Juneau on Friday after being indicted by a grand jury in connection with taking bribes from oil companies.

FBI - Stevens-655

[<<Back](#)



Alaska Sen. Ted Stevens responds to corruption indictments

May 7, 2007 04:41 PM

by Megan Baldino

WASHINGTON -- Aaron Saunders, press secretary to Alaska Sen. Ted Stevens, has issued a statement regarding today's indictments of VECO Corp. executives, as well as the indictments Friday of two former state representatives and a current Wasilla representative.

"I was surprised and saddened to learn of the recent developments in the ongoing federal investigation in Alaska. Like many Alaskans, I am finding out about these events from the media. The legal process will now continue. Consistent with my longstanding practice regarding matters of this sort, I will make no further comment."



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-656

194A-AN-13620-M-332

Veco executives Allen, Smith plead guilty to bribery, conspiracy*Anchorage Daily News (AK)**May 8, 2007**Author: RICHARD MAUER and LISA DEMER**Anchorage Daily News**Staff**Estimated printed pages: 6*

Bill Allen, a welder who took Veco Corp. from a small Kenai oil-field company to a billion-dollar international contractor and a major political force, pleaded guilty Monday to bribing at least four Alaska legislators, including former Senate President Ben Stevens.

In a plea bargain with the U.S. Justice Department's Public Integrity Section, Allen and Richard Smith, Veco's vice president for community and government affairs, each pleaded guilty to three identical felony charges -- bribery and two counts of conspiracy.

Both men accepted responsibility for making more than \$400,000 in illegal payments and benefits to public officials or their families. More than half the money went to Stevens in the form of phony "consulting" fees, the government charged.

Stevens, son of U.S. Sen. Ted Stevens, has not been charged. He was named in the plea documents as "State Senator B," but his identity was unmistakable.

In return for special consideration at sentencing, Allen, 70, and Smith, 62, agreed to cooperate in the ongoing federal investigation. The government also promised to not seek charges against Allen's son Mark, a Veco official, or any other relative.

The federal plea bargain doesn't bar state prosecutors from seeking additional charges against Allen and Smith. Both men acknowledged violating state campaign finance laws in their plea.

The plea deals were formalized in secret last week and opened in U.S. District Court on Monday morning in unannounced back-to-back hearings before Judge John Sedwick, each lasting about 40 minutes.

Allen, in a gray suit, white shirt, red tie and black cowboy boots, sat hunched over the defense table beside his lawyer, former U.S. Attorney Bob Bundy. Allen is hard of hearing and asked Sedwick to repeat several of his questions, but not the questions about how he would plead.

"Guilty," he repeated three times in a gravelly voice.

Taking prosecutors' recommendations, Sedwick released the men on \$10,000 unsecured bond and ordered them to report weekly to federal probation officers. They were allowed to keep their passports and may travel freely pending sentencing, which was held off indefinitely.

FBI - Stevens-657

They could each face about 10 years in prison and up to \$750,000 in fines, but cooperation could substantially reduce the penalties.

On Friday, federal authorities acting on bribery and conspiracy indictments arrested Rep. Vic Kohring, R-Wasilla, and former Reps. Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau.

Veco, Allen and Smith showed up in those indictments as "Company A," "Company CEO" and "Company VP."

194A-AN-13620-M-333

It appeared from those charges that the FBI used electronic surveillance of Veco's suite in Juneau's Baranof Hotel to capture incriminating dialogue and images.

The indictments spoke of payments by Allen and Smith of several thousand dollars and promises of jobs to the legislators. In return, the legislators agreed last year to vote for the oil production tax favored by the oil industry, the government alleged.

STEVENS IMPLICATED

Those indictments referred to an unnamed state senator who allegedly played a role in one part of the conspiracy -- a plan by Veco to farm out legal work to Weyhrauch, an attorney, in return for his vote on oil legislation. The description of that unnamed senator was ambiguous -- Stevens was one of three senators it could have been.

But one of two unnamed state senators in Monday's charges against Allen and Smith is clearly Stevens. The Veco "consulting" payments of \$243,250 between 2002 and 2006 documented in the charges precisely match the amount Stevens reported on his financial disclosures as consulting income to his firm, Ben Stevens and Associates.

Over the years, Stevens has refused to disclose what work he did for that money or for any of the other consulting jobs he has listed, mostly for fishing industry clients.

Former state representative Ray Metcalfe, in complaints to the Alaska Public Offices Commission and to federal authorities, challenged Stevens, saying the payments were thinly disguised bribes.

Nothing came of Metcalfe's APOC complaints -- the state agency said that Stevens adequately described his work. It refused Metcalfe's demands to look deeper and investigate whether Stevens actually worked for his money.

But in their admissions to federal prosecutors, Allen and Smith appeared to vindicate Metcalfe.

"Although Allen and Veco characterized these payments ... as being for consulting services, Allen acknowledges that in actuality the payments ... were in exchange for giving advice, lobbying colleagues and taking official acts in matters before the legislature," prosecutors said.

Only once in five years did Stevens consult for Veco on a matter not involving his legislative job -- a task involving a sunken boat at an unidentified location where Veco wanted to build a dock. Stevens worked less than 20 hours on that project, the prosecutors said.

Allen also promised an executive job to Stevens when he left office. On June 25, 2006, Stevens said he'd take that job, the charges said.

Stevens' attorney, John Wolfe of Seattle, declined to respond to specifics in the charges but said his client did nothing wrong. FBI - Stevens-658

"Ben Stevens denies engaging in any criminal conduct and maintains that he is innocent," Wolfe said. "Mr. Stevens is surprised to learn that Bill Allen has pled guilty to various federal crimes and hopes that Mr. Allen is not falsely accusing former and current members of the Alaska Legislature in order to mitigate his admitted criminality."

CAMPAIGN CONTRIBUTIONS

One other unnamed state senator, a "state elected official" and two unnamed Veco executives also show up in the charging documents against Allen and Smith.

The senator in question was not accused of taking illegal payments but was listed as a member of the conspiracy to bribe and extort. That senator attempted to enlist the support for Veco-backed legislation of the "state elected official" through an illegal campaign contribution scheme.

Four state senators match the description of that person, two of whom had their offices searched by the FBI in August: John Cowdery, R-Anchorage, and Donald Olson, D-Nome.

The unnamed senator is likely Cowdery, said Kevin Fitzgerald, his defense attorney. As to what that means for Cowdery, Fitzgerald said he's investigating the allegations laid out in the case against Allen.

Cowdery is in poor health. He's been hospitalized in Juneau with pneumonia and a lung infection, Senate majority spokesman Jeff Turner said on Monday.

The "state elected official" was impossible to identify from the information in the charges, although he or she never received Veco's campaign contributions. It's possible the official was helping the government in the investigation.

The two unnamed Veco executives were accused of participating in a scheme to use corporate money to reimburse political campaign contributions by Veco officials -- crimes under federal and state law. Allen and Smith admitted violating federal tax laws by taking deductions for illegal activity.

Veco executives routinely donate to political campaigns, giving tens of thousands of dollars to candidates in last year's primary races alone.

Allen, in his plea, admitted reimbursing Rep. Kott for a \$1,000 donation Kott made in the governor's race. The contribution wasn't further described in the charges, but APOC records show that Kott donated \$1,000 to former Gov. Frank Murkowski's re-election bid on May 31.

Many of the allegations listed in the indictments Friday against Kott, Kohring and Weyhrauch show up in the Allen and Smith admissions as well. But there are also new allegations, such as from May 7, 2006, when Kott was on the floor of the House and his cell phone rang. Allen and Smith were calling to give Kott "instructions on how to vote on the particular piece of legislation," prosecutors said.

Some time later, Kott called them back with a report on the status of the vote "and the projected outcome," the charges said.

AT VECO, NOT BUSINESS AS USUAL

Veco, meanwhile, is continuing to conduct its business, the company said in a statement.

Allen is listed as an owner of 5 percent of Veco's stock in the company's 2006 biennial report to the state. But the company's attorney in the criminal case, Amy Menard, said he no longer has an ownership interest. FBI - Stevens-659

Allen is also the publisher of Voice of the Times, a half-page opinion section in the Anchorage Daily News. It is what remains of the Anchorage Times, which Allen owned for two years before it lost millions in a newspaper war with the Daily News and shut down in June 1992.

Asked whether the Daily News will continue to publish Voice of the Times, publisher Mike Sexton said, "We are troubled by recent developments and are reviewing the entire situation."

As to the status of Allen and Smith at Veco, they still held their titles on Monday, Menard

said. But that could change.

"I can tell you that in light of today's events we expect the board of directors to be meeting this week and making decisions about appropriate actions," Meard said.

Contact reporter Richard M. Alar at rmalar@adn.com and Lisa D. Bennett at ldbennet@adn.com.
Reporter Kyle Hopkins contributed to this story.

FBI-- Stevens 660

**A long, long way from bankruptcy -
INFLUENCE PEDDLER: Since bottom days 25 years ago, Veco has turned into
big corporate political operator.**

Anchorage Daily News (AK)

May 8, 2007

Author: TOM KIZZIA, SABRA AYRES and KEVIN DIAZ

Anchorage Daily News

Staff

Estimated printed pages: 6

From the state Capitol in Juneau to the halls of Congress, Veco has been Alaska's biggest corporate political operator since it emerged from bankruptcy 25 years ago with the help of North Slope oil producers.

Monday's guilty pleas from top Veco executives exposed hidden ways in which Veco wielded influence over at least a few legislators, through bribes and "no-show" consulting work.

But the executives also admitted that the most visible kinds of Veco influence, political campaign contributions, were also illegal.

Top officials for Anchorage-based Veco have reported giving nearly \$600,000 to state political candidates over the past decade. Since 1991, they also gave \$583,108 to federal candidates and their political action committees.

Under state and federal law, contributions are supposed to come from individuals, not companies.

At least for the past two years, however, the company was reimbursing the officials for thousands of dollars in campaign contributions through phony bonuses, according to the charges against company executives made public on Monday. Veco chief executive Bill Allen and vice president of government relations Rick Smith pleaded guilty Monday to conspiring to defraud the IRS with that phony bonus scheme.

Veco's political ties extend far beyond Juneau.

Since 1989, Veco has been the single biggest source of funds to U.S. Rep. Don Young, R-Alaska, according to federal campaign records. Young has received more than \$200,000 in that time from Veco officials, according to a database of campaign contribution records by the Center for Responsive Politics.

There are other links too. Federal reports show ex-Alaska Teamster leader Jerry Hood billed Veco for more than \$300,000 for federal lobbying between 2004 and 2006. Last November Hood quit as lobbyist to become head of Young's congressional office in Alaska.

FBI - Stevens-661

Veco chief Allen has long hosted an annual fundraising pig roast for Young.

Young and Hood declined to comment Monday.

Veco executives and employees gave at least \$61,500 to Sen. Ted Stevens' campaigns since 1993, ranking them third among top donors after officials from Boeing and BP. They gave another \$30,000 to Stevens' Northern Lights leadership political action committee. Sen. Lisa Murkowski has received \$44,250 since 2002.

Stevens did not respond to questions about Veco, instead issuing a brief statement Monday:

"I was surprised and saddened to learn of the recent developments in the ongoing federal

investigation in Alaska. Like many Alaskans, I am finding out about these events from the media. The legal process will now continue. Consistent with my long-standing practice regarding matters of this sort, I will make no further comment."

Sen. Murkowski also issued a short statement, calling this "a troubled time in our state's history and it comes when the Legislature is considering one of the most critical issues for our future."

VECO CONFESSIONS

In Juneau on Monday, where lawmakers were still reeling from Friday's arrests of one current and two former legislators, the Veco revelations came as another hard blow. And this time there was no "innocent-until-proven-guilty" response -- the Veco executives had pleaded guilty and were convicted.

"To have this truth now, to know that some Alaskans willingly and knowingly participated and encouraged this corrupt behavior is disgusting," Gov. Sarah Palin said in a written statement.

The Veco confessions yielded new details about relations between company officials and the indicted representatives.

During one crucial series of votes last May on a proposed new oil tax, the court documents say, Allen and Smith exchanged cell phone calls with Rep. Pete Kott while he was on the House floor, telling the Eagle River Republican how to vote. Kott was one of the former legislators indicted on corruption charges last week.

House Democrats issued a call Monday for an overhaul of the new oil tax bill passed last year under a "cloud of doubt and potential corruption." But Democrats had a hand in passing the tax bill. Rural Democrats voted for the tax after Republican leaders linked passage to construction of rural schools and energy assistance.

The final vote on the oil tax, which the oil industry supported as a precursor to building a gas line, hinged on the vote of a single Democrat backed by Veco.

Then-Rep. Carl Moses, D-Unalaska, was in Anchorage Aug. 10 recuperating from a pinched nerve when the tax lost its possible final showdown by one vote. A long recess was called while Moses flew to Juneau. With his vote, the final tally tilted the other way.

Moses, involved in a close Democratic primary that he later lost, had received \$3,000 from six Veco executives in the week before his journey and vote. Moses denied trading the vote for money at the time, saying he had other good reasons to support the tax.

Moses' name has not come up in the current scandal. But in another detail from the latest court documents, Allen admitted offering to raise \$25,000 in campaign funds for an unnamed elected official in return for a guaranteed vote on particular bills. That unnamed official never got back in touch with Allen, the plea agreement says.

FBI - Stevens-662

Legislators who had received generous contributions from Veco officials in the past said Monday there was no reason back then to suspect anything was wrong.

House Majority Leader Ralph Samuels, R-Anchorage, said he turned last year's contributions over to charity after the FBI searched Veco's offices and those of six lawmakers last August.

"If they think I can be bought then they were giving a campaign contribution to the wrong person," said Sen. Con Bunde, R-Anchorage.

The Alaska Republican Party is looking to give away to charity the roughly \$35,000 it

received and set aside from Veco executives during the last election cycle, said party chairman Randy Ruedrich. The party will ask the Alaska Public Offices Commission for an advisory opinion on what exactly it should do with the cash, he said.

BACKING WINNERS

The campaign financing scheme admitted to by the Veco executives Monday was illegal under state law. Campaign contributions must come from the individual who makes them, not be steered by someone else. But state regulators and past recipients said there was no way to tell that the tens of thousands of dollars coming from Veco officials were not their own money.

Veco has a history of trouble with campaign laws. The company was fined by the state Public Offices Commission in 1985 for a payroll deduction scheme used for campaign contributions.

Veco had been reborn out of bankruptcy court as an oil-field services company several years earlier, with support from oil producers Arco and Sohio. But it grew in prominence and financial strength thanks to a third North Slope leaseholder, Exxon, which hired Veco in 1989 as chief oil spill cleanup contractor.

The company started out promoting pro-development Republicans, with former Sen. Ed Dankworth helping organize leadership coalitions as Allen's lobbyist. When Democrats controlled the governor's mansion in the late 1980s, money flowed to both parties, though in recent years it has gone almost entirely to Republicans.

As Bill Allen's business and political involvement grew, so did his stature. He was named Alaskan of the Year in 1994. When his personal presence in Juneau ran afoul of the state's lobbying law in 2002, he successfully urged the Legislature to change the law so he wouldn't have to register -- and give up his campaign contributions.

Veco had a way of backing winners. Company officials supported Democrat Tony Knowles as governor with \$23,000, and Knowles put Allen on his economic development transition team in 1994. Veco switched back to Republicans, backing Frank Murkowski for governor in 2002 and his daughter, Lisa, in her race against Knowles for U.S. Senate in 2004.

In 2000, Allen co-chaired the Alaska presidential campaign of George W. Bush. After the election, Allen was co-chairman of a transition team that served as a clearinghouse for Alaska applicants for political appointments.

All that turned around last year after the FBI raided Veco's offices. Palin challenged Veco and seemed to revel in opposition from the Veco-owned newspaper section Voice of the Times. But even Palin had past Veco aid, receiving \$5,000 in an unsuccessful run for lieutenant governor in 2002. Her running mate, Sean Parnell, had gotten \$16,000 in contributions from Veco during his legislative career.

This year, Veco has had a much-diminished presence in Juneau.

This story was reported by Sabra Ayres in Juneau, Kevin Diaz in Washington and Tom Kizzia in Homer. Reporter Kyle Hopkins also contributed from Anchorage. Contact them at sayres@adn.com, kdiaz@adn.com, tkizzia@adn.com and khopkins@adn.com.

FBI - Stevens-663

***Veco's oil field customers plan to stick with company for now -
PARTNERSHIPS: Baltimore firm to review the company's practices.***

Anchorage Daily News (AK)

May 8, 2007

Author: WESLEY LOY

Anchorage Daily News

Staff

Estimated printed pages: 3

Major customers of Veco Corp., whose chief executive pleaded guilty Monday to bribing state lawmakers, indicated Monday they plan to continue employing the company for the time being in Alaska's oil fields.

But a spokesman for one of Veco's largest customers, BP, said the contractor will be watched closely in coming weeks to see if it is fit to keep working in giant Prudhoe Bay and other North Slope fields.

"We're disappointed to hear that Veco executives admitted to these serious crimes," said BP spokesman Daren Beaudou. "It's not what we expect from companies with whom we do business. However, we're encouraged at Veco's pledge to commission an independent review of corporate operations and practices."

Veco's chief executive, Bill Allen, and Rick Smith, vice president of community and government affairs, entered guilty pleas in federal court in Anchorage on Monday to bribery and other charges. Each faces possible time in prison.

Veco is a major working partner with North Slope oil companies, particularly BP, which runs Prudhoe Bay, the nation's largest oil field. It is one of the largest private companies in the state, and it operates elsewhere in the country and world.

For BP on the Slope, Veco employees perform ongoing operations, maintenance and engineering work as well as chores such as hauling bulk fuel, Beaudou said.

Veco runs a fabrication yard in South Anchorage where it assembles modules and other equipment for hauling to the North Slope.

After the corrosion crisis last year in Prudhoe, where major pipelines sprang leaks, Veco was hired to help inspect and repair pipes, Beaudou said. The company is making modules now to house equipment for launching and receiving pigs -- probes that run through pipes looking for corrosion.

BP was not contacted by the FBI regarding the public corruption probe involving the Veco executives, Beaudou said.

FBI - Stevens-664

Other customers said Monday they also planned to keep using Veco.

Jack Griffin, spokesman for Conoco Phillips, which runs Alaska's next two biggest oil fields -- Kuparuk and Alpine -- said Veco is a relatively small contractor for the company.

Last year Veco got business worth \$30 million, or 3 percent of Conoco's Alaska operations and capital spending of just over \$1 billion, Griffin said.

"In the overall context, we're not one of Veco's major customers," he said. "They're not one of our top five contractors."

Mike Heatwole, spokesman for Alyeska Pipeline Service Co., which runs the 800-mile trans-

194A-AU-13620-M-335

Alaska oil pipeline, said Veco is helping with a major project to rebuild pump stations, and it is among many companies in Anchorage providing engineering services as needed.

"We don't have any changes planned," Heatwole said. Veco said it has "retained expert independent consultants to review and assess its corporate operations and practices."

Amy Menard, an attorney for Veco, said the review will be handled by FTI Consulting Inc., a large Baltimore-based firm. Veco expects initial results in a week. She said it was unclear whether the review would be made public.

Veco has 4,000 employees, about half of them working in Alaska, and it's important for people to remember that the corruption probe is separate from the work that Veco hands are doing in the field, Menard said.

"These events are totally unrelated to the actual substantive work that Veco does," she said.

A Veco executive, Tom Maloney, is an officer for the Resource Development Council for Alaska, a prominent industry nonprofit.

"I hope Veco as a whole is not judged by the actions of two individuals," said Jason Brune, the group's executive director.

Aside from Alaska, Veco is involved in oil and gas and other projects on Russian's Sakhalin Island, in Canada and in the United Arab Emirates in the Middle East.

Daily News reporter Wesley Loy can be reached at wloy@adn.com or 257-4590.

FBI - Stevens-665

COURT DOCUMENT EXCERPTS*Anchorage Daily News (AK)**May 8, 2007**Author: Staff**Estimated printed pages: 4***Excerpts from court documents**

Plea agreements made by Veco's Bill Allen and Richard Smith were unsealed Monday. Here's a sampling of statements from the documents:

MORE STATEMENTS: Additional excerpts are on Page A-7. Complete copies of these court documents can be found online at adn.com.

On or about May 7, 2006, State Representative B was on the floor of the Alaska State House of Representatives ... during a vote on a particular piece of legislation. ALLEN and SMITH contacted State Representative B on State Representative B's cellular telephone, and gave State Representative B instructions on how to vote on the particular piece of legislation.

Based on the conduct described herein, and including certain other criminal conduct not specifically included herein, ALLEN admits that the total amount of illegal benefits provided to elected public officials, their family members, and or their campaigns by ALLEN and SMITH totals an amount greater than \$400,000.

...ALLEN corruptly provided at least three separate cash payments to State Representative A: (1) a cash payment of \$1,000 ... by ALLEN at the Island Pub, a restaurant in Juneau ...; (2) two separate cash payments totaling approximately \$600 to \$1,000, given by ALLEN and SMITH to State Representative A in a hotel; and (3) a cash payment of approximately \$500, made by ALLEN to State Representative A in Juneau. ...

...ALLEN corruptly provided multiple financial benefits to State Representative B. For instance, on or about June 1, 2006, in a hotel room in Juneau ... ALLEN gave State Representative B a cash payment of approximately \$1,000. ALLEN intended the \$1,000 payment to reimburse State Representative B for a contribution in that amount given by State Representative B to an Alaskan gubernatorial campaign.

... ALLEN and SMITH agreed to provide additional funds to State Representative B. Accordingly, on or about July 31, 2006, SMITH provided, at State Representative B's request, approximately \$7,993 to State Representative B through an inflated invoice prepared by a private business owned by State Representative B. State Representative B referred to this scheme as "foolproof." The check given to State Representative B was drawn on ALLEN's personal checking account.

FBI - Stevens-666

From in or about 1995 until in or about 2001, ALLEN corruptly authorized VECO to engage and pay for on a monthly basis the consulting services of a private company owned by State Senator B, who was, at that time, not an elected public official.

From in or about January 2005 to on or about August 30, 2006, ALLEN did not ask State Senator B to perform any consulting work unrelated to State Senator B's official position as a member of the Alaska State Legislature. ALLEN instead asked State Senator B to use his official position to advance certain legislation pending in the Alaska State Legislature that ALLEN and VECO favored. ALLEN knew of no other substantive work that State Senator B performed in exchange for the "consulting" payments during this period.

194A-AU-13620-M-336

In or about 2006, ALLEN also offered, and State Senator B agreed to accept, an offer of employment with VECO. ... ALLEN called State Senator B to discuss a strategy for State Senator B to "kill" a piece of pending legislation that VECO did not support. ... ALLEN and State Senator B discussed the need to keep quiet the fact that State Senator B planned to become a VECO executive after the close of the 2006 legislative session. In that conversation, ALLEN and State Senator B explicitly discussed how State Senator B needed to ensure the passage of specific legislation before ALLEN and State Senator B disclosed the fact that State Senator B would thereafter be working for VECO.

In or about 2005 and in or about 2006, ALLEN authorized the payment of a "special bonus" of corporate funds to certain VECO executives, including VECO Executive A and VECO Executive B, understanding that the funds were to allow VECO executives to make state and federal political campaign contributions without using their base salaries or performance-related bonuses.

ALLEN directed VECO Executive B to classify a personal expense of ALLEN's as a corporate expense in VECO's corporate accounts, knowing and intending that such personal expense would ultimately be recorded as a corporate expenditure on VECO's yearly filing with the Internal Revenue Service of the United States Department of Treasury.

PAPERS: To see charging documents, plea facts and plea agreements for Bill Allen and Richard Smith, go to

adn.com/corruption

Caption:

Sen. Ben Stevens matches the description of "Senator B" in the charges against VECO's Bill Allen and Richard Smith.

Rep. Pete Kott matches the description of "Representative B" in the charges against Bill Allen and Richard Smith.

Vic Kohring matches the description of "Representative A" in the charges against Bill Allen and Richard Smith.

FBI - Stevens-667

TIMELINE*Anchorage Daily News (AK)**May 8, 2007**Author: Staff**Estimated printed pages: 4*

Timeline of federal investigation into Alaska politics

* 1995-2001: Veco CEO Bill Allen "corruptly authorized" hiring state "Senator B," who was not yet in office, as a consultant. "Senator B" fits the description of Ben Stevens.

* JANUARY 2002: Stevens is now a state senator and he continues receiving Veco payments for consulting. However, these new payments were not for private work but rather for "taking official acts" as a legislator. He collects \$243,250 from Veco from 2002 through last August.

* JULY 21, 2004: Anchorage lobbyist Bill Bobrick, representing an Outside private prison firm, tells a confidential source in a conversation federal investigators recorded that, for a price, Anchorage Rep. Tom Anderson would be "our boy in Juneau."

* AUG. 17, 2004: Anderson tells the source he would help the prison firm in exchange for \$24,000.

* AUG. 23, 2004: Anderson deposits the first of three payments, totaling more than \$6,000, from a company allegedly set up to launder money for him.

* SEPT. 26, 2005: Eagle River Rep. Pete Kott allegedly calls Veco vice president Rick Smith and says, "I need a job," to which Smith replies, "You've got a job; get us a pipeline."

* JAN. 8, 2006: As Legislature gets ready to meet, Kott allegedly calls Allen to learn "what our instructions are" concerning oil tax and natural gas pipeline legislation.

* FEB. 21, 2006: Then-Gov. Frank Murkowski unveils a bill to start taxing crude oil based on oil company profits rather than production levels. The governor says the tax reform was part of a deal with Exxon Mobil, BP and Conoco Phillips on a gas pipeline contract.

* FEB. 23, 2006: Wasilla Rep. Vic Kohring, who offered to help Veco, allegedly accepts \$1,000 in cash from Allen.

* FEB. 25, 2006: Allen tells another Veco executive to classify one of Allen's personal expenses as a corporate expense, which would lower Veco's federal tax bill.

* FEB. 28, 2006: Exxon and BP executives warn lawmakers that imposing a tax rate higher than the 20 percent of profits the governor proposes might undo the gas pipeline deal. (Veco also lobbies strongly for no changes.)

FBI - Stevens-668

* MARCH 23, 2006: Juneau Rep. Bruce Weyhrauch calls Veco and leaves a message that he wants to talk to Allen about the oil tax and other issues.

* MARCH 30, 2006: Kohring tells Veco executives he owes \$17,000 on a credit card. He asks for a loan or a job. They discuss how to structure a loan without raising "red flags." Kohring accepts at least \$600 cash from Allen then asks what he could do "for you guys." He agrees to lobby other lawmakers to support oil tax legislation favored by Veco.

* APRIL 24, 2006: Senate passes an oil-tax bill that would tax oil at a rate of 22.5 percent.

* MAY 4, 2006: As legislative session winds down and Veco presses for the 20 percent tax rate, Weyhrauch mails his resume to Allen. Veco executives believe his job request is connected to how he will vote on oil taxes.

* MAY 7, 2006: During House floor debate on oil taxation, Allen and Smith call Kott by cell phone and tell him how to vote. Later that night, Kott tells Allen he had to "cheat, steal, beg, borrow and lie" to defeat an amendment for a higher oil tax rate. Allen responds, "I own your ass."

* MAY 9, 2006: Regular session ends with no new oil tax: Senate fails to concur with a House-approved 21.5 percent rate.

* MAY 10, 2006: First special legislative session begins to consider oil-tax rate.

* MAY 24, 2006: Weyhrauch tells Veco executives that he isn't doing well financially. They discuss his request for employment.

* JUNE 1, 2006: Kott tells Allen he wants to be a lobbyist after he leaves the Legislature. Allen responds, "Well, you will be."

* JUNE 1, 2006: Allen gives Kott \$1,000 cash in a hotel room to reimburse his contribution to a candidate in the governor's race.

* JUNE 5, 2006: Allen calls Stevens to discuss a strategy for killing gas-pipeline legislation Veco doesn't support. Allen tells Stevens he wants him to work for Veco as an executive.

* JUNE 8, 2006: Legislators adjourn special session after failing to agree on oil-tax rate.

* JUNE 22, 2006: "Senator A," unidentified in the court documents, tells Smith that another lawmaker needs money.

* JUNE 25, 2006: Allen meets "Senator A" and the unnamed lawmaker and says he could raise \$25,000 for the lawmaker's campaign. The lawmaker said he needed to be sure he was willing to support the legislation Veco favored. Veco never raised this money.

* JULY 11, 2006: Stevens and Allen discuss the need to maintain secrecy that the senator planned to become a Veco executive after the 2006 legislative session. They agree that Stevens, then the Senate president, needs to ensure passage of specific legislation before they disclose his job at Veco.

* JULY 12, 2006: Veco allegedly pays \$2,750 for a poll for Kott's re-election campaign. Legislators begin second special session.

* AUG. 2, 2006: Veco's Smith allegedly instructs a Veco employee to pay a fraudulently inflated invoice, totaling \$7,993, to Kott's Hardwood Flooring. Kott calls the transaction "foolproof." The payment is drawn from Allen's personal checking account.

* AUG. 10, 2006: Legislators approve new oil tax setting rate at 22.5 percent tax of profits.

FBI - Stevens-669

* DEC. 6, 2006: Anderson indicted for money laundering, extortion and bribery. He pleads not guilty several days later. His trial is set for June 25.

* MAY 4, 2007: Kott, Kohring and Weyhrauch indicted for conspiracy to commit extortion and bribery. Kott also indicted for wire fraud and Weyhrauch for mail fraud.

* MAY 7, 2007: Allen and Smith plead guilty to bribing Alaska lawmakers.

Compiled by Daily News reporters Elizabeth Bluemink and Wesley Loy.

**Kohring returns to session, reasserts his innocence -
INDICTMENT: A few lawmakers from each party offer nods or hugs to
acknowledge his legal difficulties.**

Anchorage Daily News (AK)

May 8, 2007

Author: STEVE QUINN

The Associated Press

WIRE

Estimated printed pages: 2

Three days after he and two former House members pleaded not guilty to federal bribery and extortion charges, Rep. Vic Kohring showed up for work on the House floor on Monday.

As House leaders had earlier announced, he lost his job Monday as chairman of the House Oil and Gas Committee, though he will be allowed to remain on that committee as well as three others on which he serves.

He reported to the Capitol on Monday, attending the floor session and scheduled committee meetings.

During the House floor session, a few members from each political party nodded at or hugged Kohring, and some offered a handshake.

"It took a lot of courage, a lot of courage for him to come back," said Rep. Andrea Doll, a Juneau Democrat who gave Kohring a hug during a break.

"When you see somebody in just plain a lot of pain, my heart goes out to him," she said. "It's hard to imagine how difficult it must be for him to be there and to be judged."

Kohring deferred comment on the charges to his attorney, John Henry Browne, who last week said Kohring planned to fight the charges and continue serving his term.

However, Kohring also issued a statement saying he agreed with the decision handed down by members of a committee that oversees appointments.

"I firmly believe in the judicial system and that a jury of my peers will find me not guilty of these charges at which time the leadership of the House has agreed to return me to my chair," Kohring said in the statement.

Kohring and former state Republican Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau were indicted last week by a federal grand jury. They are accused of trading their legislative clout for cash and the promise of future work with an oil field services company.

On Monday, two top executives of VECO Corp., a multinational oil services company based in Anchorage, pleaded guilty to extortion, bribery, and conspiracy to impede the Internal Revenue Service. They were accused of bribing Alaska lawmakers with cash and the promise of jobs, contracts and favors for their backing on bills supported by the multinational firm.

FBI - Stevens-670

194A-AN-13620-M-338

Key figures in the case*Anchorage Daily News (AK)**May 8, 2007**Author: Staff**Estimated printed pages: 3***BILL ALLEN**

Age: 70 from Socorro, N.M.

To Alaska in 1969. Welder. Joined Veltri Enterprises c. 1969, which became Veco. Bought out his partner 1970s, became majority owner of Veco Corp., which emerged as a major construction firm in the 1970s under sponsorship of Arco. Made millions on the 1989 Exxon Valdez oil spill cleanup. Bought the Anchorage Times newspaper in 1989.

Major player in Alaska construction, oil field services and the financing of Alaska politicians.

Pleaded guilty Monday to bribery, conspiracy and tax fraud. Said he paid bribes to legislators in return for votes and other official actions. Veco lawyer says he is no longer a Veco owner.

RICHARD "RICK" SMITH

Vice president of Veco and its chief political operative.

Pleaded guilty Monday to federal bribery, conspiracy and tax fraud charges.

PETE KOTT

Age: 57 Born Flint, Mich. To Alaska 1984

Ret. Air Force. B.S. in criminal justice. MA in public administration 1979. Owns flooring company.

Elected to state House 1992 from Eagle River. Re-elected six times. House speaker 2003-04. Lost 2006 Republican primary to Anna Fairclough.

Indicted last week on federal bribery and conspiracy charges. Pleaded not guilty.

VIC KOHRING

Age: 48 Born Waukegan, Ill. To Alaska 1963

Resident of Wasilla since 1976. Lives in his Juneau legislative office during the session. MBA 1989, from Alaska Pacific University. Married to Russian violinist.

Elected to state House 1994. Re-elected six times. Is a sitting legislator.

Indicted last week on federal bribery and corruption charges. Pleaded not guilty.

FBI - Stevens-671

BRUCE WEYHRAUCH

Age: 43 Born Sacramento To Alaska 1974

Attorney, president of Alaska Bar Association, 2000-01. Runs own law office. Survived near-

death boating accident last month.

Elected to state House from Juneau 2002. Served two terms. Chose not to run in 2006.

Indicted last week on federal bribery and corruption charges. Pleaded not guilty.

TOM ANDERSON

Age: 39 Former state representative

A former legislative aide, member of the Anchorage School Board, executive director of the Cabaret, Hotel, Restaurant and Retailers Association.

Elected to House 2002, 2004 from Muldoon. Chose not to run in 2006

Married to state Sen. Lesil McGuire.

Indicted Dec. 6, 2006, on federal charges of money laundering, bribery and extortion. Pleaded not guilty. Trial set for June.

BEN STEVENS

Age: 48 Lifelong Alaska resident

Son of U.S. Sen. Ted Stevens. Lists occupation as "business consultant." Was a commercial fisherman. Ran the Special Olympics in 2001.

Appointed to state Senate in 2001 by Gov. Tony Knowles. Elected to four-year term in 2004. Chose not to run for re-election in 2006.

Identifiable as "Senator A" in indictments last week against three lawmakers. Is clearly the "Senator B" cited as recipient of some of the bribes that Bill Allen and Rick Smith pleaded guilty to in federal court Monday. Stevens has not been openly named and has not been charged with anything.

SENATOR A

Unnamed politician

Cited in federal charges against Bill Allen and Rick Smith

In addition to Ben Stevens, two senators' offices were searched last August by the FBI: John Cowdery, R-Anchorage, and Donny Olson, D-Nome.

Cowdery was in a Juneau hospital Monday, reportedly suffering from pneumonia. His attorney, Kevin Fitzgerald, said Cowdery is likely Senator A and he is investigating the allegations in the charges against Allen.

FBI - Stevens-672

Judge delays Kohring trial

OCT. 22: Defense says it needs more time to sort through evidence.

By KYLE HOPKINS

Anchorage Daily News

Published: May 30, 2007

Last Modified: May 30, 2007 at 02:27 AM

Hundreds of hours of video recordings, plus hundreds more of audio, added to thousands of pages of documents. As federal investigators silently tracked and secretly taped Alaska politicians and business leaders in a sweeping corruption investigation, they built a digital mountain of evidence, according to testimony in federal court Tuesday.



[Click to enlarge.](#)

Kohring

Story tools

[E-mail a friend](#)

[Print](#)

[Digg this](#)

[Seed Newsvine](#)

[Send link via AIM](#)

Font size : A | A | A

It's all too much to sift through by July, the defense lawyer for Rep. Vic Kohring told U.S. District Judge John Sedwick.

The judge agreed.

In a brief Anchorage hearing that shed just a little light on the scope of the investigation, Sedwick delayed Kohring's trial more than three months, until Oct. 22.

Kohring, R-Wasilla, is accused of selling his vote on oil taxes last year to the oil field services company Veco Corp. Veco executives Bill Allen and Rick Smith pleaded guilty to conspiracy, bribery and tax charges on May 7.

Prosecutor Edward Sullivan said two computer hard drives full of evidence in the Kohring case include a number of conversations "intercepted" in Suite 604, a reference to Veco's room in Juneau's Baranof Hotel, as well as telephone conversations involving Allen and Smith recorded over 11 months beginning in September 2005.

Kohring has pleaded not guilty and says he's innocent.

"I feel in my heart that things are going to work out just fine for me and I'm going to be exonerated," he said in a phone interview

Tuesday.

Kohring called his legal bills "astronomical." He said he recently sold his Wasilla home and may have to sell his home in Beaverton, Ore., to pay legal fees that he expects to top \$100,000.

The charges against Kohring say the longtime Valley legislator asked for help paying a \$17,000 credit card debt and that he accepted cash from Veco executives.

FBI - Stevens-673

Kohring said he couldn't answer specific questions about the case before it goes to trial.

"All I can say is that people have to remember that I am innocent until proven guilty," he said.

Kohring's lawyer, John Henry Browne of Seattle, said federal prosecutors gave him a tower of evidence in the corruption case only last week.

Browne said only a fraction of the evidence directly involves Kohring and that in the rest he

194A-AN-13620-M-340

testify against his client.

"The government was probably recording these guys for a reason ... my guess is that this material will contain information that I can use to impeach them when they testify, about their conduct, behavior and general reputation for honesty," Browne said.

Kohring said people still support him and he has refused calls to give up his seat in the Legislature. He said he needs surgery on his neck, which could keep him from attending a possible special legislative session in the fall.

Until Tuesday's delay -- which drew no objection from prosecutors -- Kohring's trial was to begin July 9.

FBI - Stevens-674

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-1

ANCHORAGE DAILY NEWS

Date: 06/7/2007
Edition: THURSDAY

Title: FBI TELLS STEVENS TO SAVE
RECORDS

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-675

194A-AN-13620-m;341

FBI tells Stevens to save records

■ **CORRUPTION PROBE:** U.S. senator confirms his son Ben "is also under investigation."

By PAUL KANE
The Washington Post

WASHINGTON — Sen. Ted Stevens, the longest-serving Republican in the Senate, says the FBI asked him to preserve records as part of a widening investigation into Alaska political corruption that has touched his son and ensnared one of his closest political confidants and financial backers.

"They put me on notice to preserve some records," Stevens said in a brief interview

about his legal team's discussions with the FBI. He declined to say what kinds of records were involved but confirmed that he had hired lawyers and that his son, former state Senate President Ben Stevens, "is also under investigation."

Stevens, who is famous for bringing home federal money, was not previously confirmed as linked to the Justice Department's probe, which has uncovered evidence that bribes were given to state lawmakers in exchange for favorable oil-tax legislation.

The Justice Department's Public Integrity Section is running the inquiry, which includes two federal prosecutors and FBI agents based in Anchorage.

The FBI issued subpoenas last year to contractors who had performed work on Ted Stevens' Girdwood house, seeking information about the alleged involvement of Veco Corp. chief executive Bill J. Allen in overseeing the renovations, which cost more than \$100,000.

There has been no indication that Stevens is a target of the investigation, and federal law enforcement officials this week declined to comment about the probe.

Stevens has long been close to Allen. Since 2000, Allen has contributed more than \$50,000 to political and campaign committees controlled by Stevens. In 2005 and 2006, Allen and other Veco executives gave Stevens-affiliated

election committees \$37,000, Federal Election Commission records show. A Stevens aide said the senator recently decided to donate contributions from Allen and another Veco executive from 2004 to 2006 to charity.

Several years ago, Allen joined with Stevens and a handful of other corporate executives to purchase thoroughbred horses, according to Stevens' financial disclosures to the Senate.

Last month, Allen and Veco vice president Rick Smith pleaded guilty to bribing state legislators primarily to secure the passage of oil tax legislation.



Sen. Ted Stevens will donate money received from Veco executives to charity, an aide said.

See Page B-7, STEVENS

STEVENS: \$243,250 given to 'state senator B'

Continued from B-1

As part of the plea, Allen said his bribes included \$243,250 in no-show consulting work from 2002 to 2006 to "state senator B" to win the lawmaker's support for the pipeline project and other legislative matters. State financial reports filed by Ben Stevens list the same dollar amount in receipts from Veco.

"We believe that the facts will show that Mr. Stevens didn't engage in any illegal activity," said John Wolfe, the lawyer for Ben Stevens.

Ted Stevens said he has not spoken to Justice Department officials, that he was complying with the request to preserve documents and that he anticipated turning them over at some point. He and his staff

declined to specify whether the investigators were seeking records on personal finances, legislative actions or both.

Stevens is the ranking Republican on the Commerce, Science and Transportation Committee. He said his lawyers warned him that any public statements could be construed as an attempt to obstruct the inquiry.

FBI - Stevens-677

Stevens, Son Press Project Roll Call June 7, 2007 Thursday

Copyright 2007 Roll Call, Inc.
Roll Call

June 7, 2007 Thursday

LENGTH: 1275 words

HEADLINE: Stevens, Son Press Project

BYLINE: Paul Singer, ROLL CALL STAFF

BODY:

In late 2005, Sen. **Ted Stevens** (R) joined other members of the Alaska delegation in pressing state officials to reserve \$2 million in earmarked federal money for a **pipeline** project being conducted by a gas company that employed Stevens' son, Ben.

Stevens, Rep. Don Young (R) and Sen. Lisa Murkowski (R) wrote a letter to the Alaska Department of Transportation on Nov. 9, 2005, to "more clearly explain the Congressional intent" of a \$2 million earmark in the 2005 highway bill, known as SAFETEA-LU. The letter clarified that the money was intended for the project Ben Stevens' company was working on, and the company was named in the letter.

Ted Stevens' office said this week that the letter merely reflected the importance of bringing natural gas to South-Central Alaska, and the elder Stevens' involvement in the issue had nothing to do with the younger Stevens' employment.

The provision that had been inserted into the bill by the Alaska delegation reserved the money for a "study on the feasibility of constructing a natural gas **pipeline** from the North Star Borough to South Central Alaska along the existing transportation corridors." The provision refers to a long-running discussion about how to get a portion of the state's abundant North Slope natural gas reserves to the chronically under-supplied gas consumers in the population centers around Anchorage.

But according to state officials, there are two possible **pipeline** routes that fit the description as it was worded in the earmark: one, a north-south route from Fairbanks that follows the "Parks Highway" to Anchorage and would pass through a small piece of Denali National Park, and a second that would swing east through Glennallen before cutting back west to Palmer, just outside Anchorage.

"That earmark came to us as an orphan," said Mike Chambers, spokesman for the Alaska Department of Transportation and Public Facilities. "When an earmark comes in, and if it is general enough, several people will stand up and claim it ... sort of like a custody battle."

The letter from Stevens, Young and Murkowski made it clear which side should win custody. The Members pointed out that the 2005 omnibus appropriations bill set aside an additional \$2 million "to allow ENSTAR Natural Gas and ASRC Energy

FBI - Stevens-678

194A-AN-13620-M;342

Service to move forward on a feasibility study along the Parks Highway for the construction of a spur line from Fairbanks to Anchorage." They added: "The intent of the two million dollars in SAFETEA-LU is to continue the Parks Highway Spur study begun under the DOE project."

ENSTAR Natural Gas is a subsidiary of SEMCO Energy, a Michigan-based energy company. Ben Stevens has served on the board of SEMCO since 2004 and was paid \$77,810 for his service in 2006, according to the company's most recent filings with the Securities and Exchange Commission.

Ted Stevens clearly was not the only advocate for the Parks Highway **pipeline** earmark. The delegation letter was written in the first person, suggesting that questions be directed to "my staff on the Transportation and Infrastructure Committee," which is the committee that Young chaired at the time.

The \$2 million earmark was not included in the House version of the SAFETEA-LU bill and was added in the Senate, where Stevens chaired the Commerce, Science and Transportation Committee, which had jurisdiction. But Murkowski also claims credit for the earmark. "If we can't get more gas [in the Anchorage area], people are going to freeze in the dark," said Chuck Kleeschulte, a legislative assistant on energy issues in Murkowski's office. Kleeschulte referred to the project as a "delegation earmark" and said, "We gladly accept responsibility for this earmark."

The Alaska Legislature also passed a resolution expressing support for constructing a natural gas **pipeline** from Fairbanks to South-Central Alaska, with then-state Sen. Ben Stevens voting in favor.

Aaron Saunders, spokesman for **Ted Stevens**, wrote in an e-mail to Roll Call that "The provision in the SAFETEA-LU bill to provide money to the state to continue to study possible spur lines was a priority for the entire Alaska Congressional Delegation. These funds would ensure that [the] ongoing study would be completed. It is the Delegation's understanding that the state will award a contract to finish the study based on its procurement process," meaning it is not guaranteed that ENSTAR will receive the money.

Saunders added that the delegation's support of the **pipeline** "is based on the project's merits and its importance to all of their constituents who live in South Central Alaska. ... At no time did Ben Stevens' role as one of 10 members of SEMCO's Board of Directors play any part in the Delegation's decision to support this study."

Stephen Slivinski, director of budget studies at the Cato Institute, said there is nothing wrong with the Alaska delegation setting aside money for the state to review alternative routes for a gas **pipeline**. But, he said, "If you are coming from the premise that the state should be the ones determining the best use of a lump of money ... the state should be free to interpret that. The follow-up correspondence is the odd part, which says 'No, no, you are to spend it this way.'"

Slivinski said Congressional letters to state agencies are a kind of a backdoor earmark. "If you wanted to be more honest about this, you could have done it in the law," instead of going to the state to make the distinction.

Mike Thompson, the state **pipeline** coordinator in the Alaska Department of Natural

Resources, said the \$2 million from the highway bill earmark has never been distributed. The state is waiting for the Energy Department to release a broader feasibility study that compares both routes before it releases a request for bids to conduct the study on the Parks Highway route. The DOE study has been completed - NORSTAR, another unit of SEMCO, was one of the contractors that the department hired to draft it - but it has not yet been released.

Harold Heinze, CEO of the Alaska Natural Gas Development Authority - the state-chartered corporation that has been advocating the Glennallen-to-Palmer **pipeline** route - said the Parks Highway route does not seem to make as much economic sense, but the Members of Congress may not have known that when they wrote their letter in late 2005. "In that timeline, [the letter] is absolutely correct," Heinze said, since the state did need to consider both routes. "I might differ with it tremendously today," he added, because he believes the superiority of the Glennallen **pipeline** seems clear.

Heinze encouraged the Energy Department to include in its analysis the challenges the Parks Highway line would have getting approval from Congress to cross into the Denali National Park, and he provided a copy of an e-mail reply he received indicating that the department "did ask the report's authors to 'beef up' the section dealing with this issue."

ENSTAR spokesman Curtis Thayer said the **pipeline** issue "was started before Ben Stevens was on the board. ... Ben had nothing ever to do with any of this." Thayer said that by his recollection, Ben Stevens had been to the ENSTAR Alaska offices only once since joining the SEMCO board in 2004.

Thayer pointed out that the state has been looking for more natural gas for the population centers around Anchorage for years, and ENSTAR, as the primary natural gas company in the state, probably will be involved no matter where such a **pipeline** is built.

"We have an interest in building such a line - but it will take a lot of partners," Thayer said.

Ben Stevens could not be reached for comment on this story, and several calls to his attorney were unreturned.

FBI - Stevens-680

adn.com

Anchorage Daily News

Print Page

Close Window

Embattled Kohring undecided but will 'do what's right'

Q AND A: He says he plans to attend the special session despite bribery indictment.

By SABRA AYRES

Anchorage Daily News

(Published: June 6, 2007)

JUNEAU -- State Rep. Vic Kohring said he has not decided yet whether he will resign because of his indictment in a bribery scandal, and that most of what he hears from constituents is supportive of his staying in office.

Kohring's comments came in e-mail interviews this week after two House leaders recently urged him to consider resigning to help restore public trust in lawmakers and the Legislature.

Kohring, R-Wasilla, pleaded not guilty last month to federal charges of bribery, conspiracy and extortion. His trial is scheduled for October.

Kohring's case is part of a wider federal probe into government corruption. Prosecutors accused him and two former lawmakers of selling their votes on last year's petroleum production tax law, or PPT, to Anchorage oil services company Veco Corp. Two former Veco executives have pleaded guilty.

Kohring's term runs out in January 2009.

In excerpts from his e-mails, Kohring discusses his thoughts on resigning, support he's received and a recall effort he faces, and the financial strain he's experiencing. He also says that at times as a legislator he's feared for his personal safety, and years ago he even wore a bulletproof vest on the House floor.

Q. Have you made any decisions as to whether or not you will step down?

A. No.

Q. When do you think you might make a final decision?

A. I am giving all options careful consideration.

Q. What are you hearing from your constituents?

FBI - Stevens-681

A. Most correspondence indicates people wish for me to stay.

Q. House Speaker John Harris said this week that some legislators have expressed concern about the indictment and its effect on the Legislature as a whole. Have you had any discussions about this with your colleagues? Do you feel their concerns are justified?

A. I spoke with John Harris and Ralph Samuels (House majority leader) last week, and I respect their opinions. We discussed my options and all understood that I will be making any decision

194A-AN-13620-M;343

regarding my future.

I intend to do what's right for my constituents and make a carefully thought-out decision, which will not be an easy one.

I've dedicated my life to my community for a dozen years, including knocking on 28,000 doors in an effort to be accessible, and helped over 3,000 people with problems associated with government, many times staying up all hours of the night and sleeping on my office couch.

I've always given 100 percent and have tried to be the best public servant I can.

Q. Are you planning to attend the special session on SeniorCare (aid to low-income seniors) in Anchorage later this month?

A. Yes.

Q. If Gov. Sarah Palin calls a fall special session to revisit the new oil tax, would you attend? Excuse yourself? Other options?

A. My decisions will be in my constituents' best interest.

Q. You have mentioned that you were concerned about your personal safety. What has happened that makes you feel unsafe?

A. I have received numerous threats over the years, both politically and dealing with my personal safety, from people who've disagreed with me on issues or don't like me for some reason. I've attempted to be honest and straightforward, as opposed to saying what I think is politically popular. When a person does that, they sometimes become a target as I have.

Q. During one campaign, while waving at cars along the Glenn Highway, someone fired a gun -- which sounded like a .22; I know my guns, so I recognized what it was -- from a passing car. The next week, it happened again. Fortunately, I was not hit in either incident. I wore a bulletproof vest to protect me. I also carried a 9mm pistol for protection, using my concealed-carry permit. There were times during my early years in Juneau when I also received threats, so I wore the same flak jacket on the House floor, despite its bulkiness. It made me look fat and was hot and uncomfortable. I did not carry a gun in the Capitol building.

Q. How do you feel about the recall petition initiated by Wasilla City Councilman Mark Ewing?

A. I'm disappointed that Mr. Ewing has begun a recall campaign against me without speaking with me first and expressing his concerns.

I'm also disappointed in some of my neighbors and constituents who are rushing to judgment against me. Some of these folks are saying I'm unable to do my job and therefore should be recalled. This is despite that fact that all of us in the Legislature are expected to be "citizen legislators" and go about our other jobs and responsibilities during the summer and fall months when not in session.

Since the session ended, I've worked in my legislative office nearly every day, often until 11 p.m. I've been very accessible to people even now. My long hours working for my community are in addition to my personal responsibilities. It's difficult and challenging but worth the effort.

Q. Is anyone organizing a counter-campaign on your behalf?

FBI - Stevens-682

A. Yes. I have a number of wonderful supporters who have offered to set a legal defense fund. In addition, a good friend is setting up a blog to keep people updated. Meanwhile, it has been very difficult, if not impossible, to mount a counter-campaign of my own. I've also been advised not to discuss details about my case and stick with the basics so that it doesn't jeopardize my case in any way.

Q. Where are you living in Wasilla? With your parents?

A. Yes, in Wasilla, in the heart of my district. I am living in the back half of my parents' 30-year-old mobile home in Kohring Subdivision, a subdivision my dad and I developed many years ago. We enjoy each other's company and play card games every night. I recently sold my Wasilla house to pay for my legal expenses, which are phenomenal.

Q. Is your family still in Portland? Will they be joining you in Wasilla during the interim?

A. Yes, my wife and stepdaughter are in Beaverton, Ore. I would love for them to be with me during this difficult time, but money is very tight, and given my legislative responsibilities here and the controversy I've found myself in, we're having to endure being separated for the time being.

Reporter Sabra Ayres can be reached at sayres@adn.com or in Juneau at 1-907-586-1531.

[Print Page](#) [Close Window](#)

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-683

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A-1

ANCHORAGE DAILY NEWS

Date: 06/7/2007
Edition: THURSDAY

Title: YOUNG TIED TO FLORIDA
EARMARK

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-684

194A-AN-13620-M;344

YOUNG: Florida developers, builders contribute \$40,000

Continued from A-1

ple's Daily News, has sparked a controversy. Parts of the story were reported in the Anchorage Daily News last year, and the tale is receiving attention in Florida as environmentalists object that the interchange would threaten wetlands.

In addition, the Lee County planning organization is debating what to do about the money, and a Republican commissioner of Lee County, Ray Judah, is campaigning against the interchange, calling it an example of congressional corruption that is "a cancer on the federal government." He added, "It would appear that Don Young was doing a favor for a major contributor."

When he was approached near the House floor by a reporter, Young responded with an obscene gesture.

House Republicans are in a public relations battle with Democrats for the high ground on reforming "earmarks," the pet projects that lawmakers tuck into spending bills behind closed doors.

As they have exploded in number for the last 12 years — the 2006 transportation bill included more than 6,300 projects worth more than \$24 billion, the nonpartisan Taxpayers For Common Sense says — earmarks have proven ripe for cronyism, corruption and abuse. Though the House recently passed a rule requiring the disclosure of earmark sponsors, the flow does not appear to have slowed.

Until Democrats took control of Congress in January, Young was chairman of the Transportation Committee, and he and his staff distributed transportation earmarks to lawmakers seeking projects.

Young may have first learned of Coconut Road on Feb. 17, 2005. That is when he flew to the region on a plane owned by Corporate Flight, a Waterford, Mich., charter company that is associated with the Aronoff family, which is based in nearby Bloomfield Hills, Mich. The Aronoffs are among the company's biggest clients, its general manager, Tom Hector, said.

Young's re-election campaign reimbursed the company \$3,422 for the flight, according to his campaign filings.

At the invitation of Mack, Young visited Florida Gulf Coast University for a meeting on the interstate and

Until Democrats took control of Congress in January, Young was chairman of the Transportation Committee, and he and his staff distributed transportation earmarks to lawmakers seeking projects.

other transportation questions. Afterward, Young went directly to the fundraiser at the Hyatt Coconut Point.

His campaign records show that he received more than \$40,000 in contributions on one day around that time, mostly from southwestern Florida developers and builders.

Aronoff, whose family is a major contributor to Republicans, gave \$500 to Young's campaign and later gave \$2,500 to Young's Midnight Sun political action committee.

The invitations to the event listed as hosts Mack, a business group called the Southwest Florida Transportation Initiative that includes Aronoff's company and two executives of other Florida developers.

Asked in a telephone interview who had organized the fundraiser, Mazurkiewicz, the consultant, said he was then at another fundraiser with a member of Mack's staff who would know.

"Aronoff," the staff member told Mazurkiewicz, within earshot of his mobile phone.

"Just some local businessmen," Mazurkiewicz said into the phone.

When pressed, he confirmed that the staff member had named Aronoff. Later, Mazurkiewicz called again to list the names on the invitation.

A spokeswoman for Young, Meredith Kenny, initially said that Mack had requested the Coconut Road money and that no one on Young's staff was available to provide more information.

A spokesman for Mack, however, said he did not ask for the money. His chief of staff, Jeff Cohen, said Mack

was surprised to find the project in the bill long after it had passed. After issuing a press release when the bill passed celebrating its financing for other Florida projects, Mack followed up with a second press release when he learned of the Coconut Road interchange.

"At the end of the day this thing got stuck in there unbeknownst to us and having nothing to do with us, other than it is our district," Cohen said.

The Aronoffs gave more than \$200,000 to Republican candidates and political committees in 2006. Their business, the Landon Cos., is best known for building mobile-home parks. But it also operates a real estate development business in Florida.

Daniel Aronoff has taken over active management of the company from his father, Arnold Y. Aronoff, who had a checkered career in Florida real estate. In 1979, Arnold Aronoff was sentenced to two years in prison after pleading guilty to mail fraud in a scheme to sell Florida swampland at an inflated price.

The plans for the earmark and the Aronoff land hit a roadblock when the Lee County Metropolitan Planning Organization voted twice last year to block a preliminary study for the interchange, mainly on environmental grounds. Local opponents cited studies showing development in the area could harm wetlands that provide drinking water.

But Young was evidently determined to see the interchange move forward. In a Jan. 23, 2006, letter to the chairman of the Lee County Metropolitan Planning Organization, Young warned that his committee would draft another bill taking away the \$10 million if it was not used for the interchange.

On Jan. 31, Mack followed up with a letter warning that the rejection would "make it difficult for Southwest Florida to have future success in securing federal resources for other important projects."

The planning organization subsequently reversed itself and approved an initial study of the proposed interchange. But the last election put more environmentalists on the county commission. Next month, county planners will again take up the question of what to do about Coconut Road.

YOUNG: Florida developers, builders contribute \$40,000

Continued from A-1

ple's Daily News, has sparked a controversy. Parts of the story were reported in the Anchorage Daily News last year, and the tale is receiving attention in Florida as environmentalists object that the interchange would threaten wetlands.

In addition, the Lee County planning organization is debating what to do about the money, and a Republican commissioner of Lee County, Ray Judah, is campaigning against the interchange, calling it an example of congressional corruption that is "a cancer on the federal government." He added, "It would appear that Don Young was doing a favor for a major contributor."

When he was approached near the House floor by a reporter, Young responded with an obscene gesture.

House Republicans are in a public relations battle with Democrats for the high ground on reforming "earmarks," the pet projects that lawmakers tuck into spending bills behind closed doors.

As they have exploded in number for the last 12 years — the 2006 transportation bill included more than 6,300 projects worth more than \$24 billion, the nonpartisan Taxpayers For Common Sense says — earmarks have proven ripe for cronyism, corruption and abuse. Though the House recently passed a rule requiring the disclosure of earmark sponsors, the flow does not appear to have slowed.

Until Democrats took control of Congress in January, Young was chairman of the Transportation Committee, and he and his staff distributed transportation earmarks to lawmakers seeking projects.

Young may have first learned of Coconut Road on Feb. 17, 2005. That is when he flew to the region on a plane owned by Corporate Flight, a Waterford, Mich., charter company that is associated with the Aronoff family, which is based in nearby Bloomfield Hills, Mich. Aronoffs are among the company's biggest clients, general manager, Tom Hector, said.

Young's re-election campaign reimbursed the company \$3,422 for the flight, according to his campaign filings. At the invitation of Mack, Young visited Florida Gulf Coast University for a meeting on the interstate and

Until Democrats took control of Congress in January, Young was chairman of the Transportation Committee, and he and his staff distributed transportation earmarks to lawmakers seeking projects.

other transportation questions. Afterward, Young went directly to the fundraiser at the Hyatt Coconut Point.

His campaign records show that he received more than \$40,000 in contributions on one day around that time, mostly from southwestern Florida developers and builders.

Aronoff, whose family is a major contributor to Republicans, gave \$500 to Young's campaign and later gave \$2,500 to Young's Midnight Sun political action committee.

The invitations to the event listed as hosts Mack, a business group called the Southwest Florida Transportation Initiative that includes Aronoff's company and two executives of other Florida developers.

Asked in a telephone interview who had organized the fundraiser, Mazurkiewicz, the consultant, said he was then at another fundraiser with a member of Mack's staff who would know.

"Aronoff," the staff member told Mazurkiewicz, without earshot of his mobile phone.

"Just some local businessmen," Mazurkiewicz said into the phone.

When pressed, he confirmed that the staff member had named Aronoff. Later, Mazurkiewicz called again to list the names on the invitation.

A spokeswoman for Young, Meredith Kenny, initially said that Mack had requested the Coconut Road money and that no one on Young's staff was available to provide more information.

A spokesman for Mack, however, said he did not ask for the money. His chief of staff, Jeff Cohen, said Mack

was surprised to find the project in the bill long after it had passed. After issuing a press release when the bill passed celebrating its financing for other Florida projects, Mack followed up with a second press release when he learned of the Coconut Road interchange.

"At the end of the day this thing got stuck in there unbeknownst to us and having nothing to do with us, other than it is our district," Cohen said.

The Aronoffs gave more than \$200,000 to Republican candidates and political committees in 2006. Their business, the Landon Cos., is best known for building mobile-home parks. But it also operates a real estate development business in Florida.

Daniel Aronoff has taken over active management of the company from his father, Arnold Y. Aronoff, who had a checkered career in Florida real estate. In 1979, Arnold Aronoff was sentenced to two years in prison after pleading guilty to mail fraud in a scheme to sell Florida swampland at an inflated price.

The plans for the earmark and the Aronoff land hit a roadblock when the Lee County Metropolitan Planning Organization voted twice last year to block a preliminary study for the interchange, mainly on environmental grounds. Local opponents cited studies showing development in the area could harm wetlands that provide drinking water.

But Young was evidently determined to see the interchange move forward. In a Jan. 23, 2006, letter to the chairman of the Lee County Metropolitan Planning Organization, Young warned that his committee would draft another bill taking away the \$10 million if it was not used for the interchange.

On Jan. 31, Mack followed up with a letter warning that the rejection would "make it difficult for Southwest Florida to have future success in securing federal resources for other important projects."

The planning organization subsequently reversed itself and approved an initial study of the proposed interchange. But the last election put more environmentalists on the county commission. Next month, county planners will again take up the question of what to do about Coconut Road.

Young tied to Florida earmark

■ **\$10 MILLION:** County votes against it but is told it must take it or jeopardize future funding.

By DAVID D. KIRKPATRICK
The New York Times

WASHINGTON — It is no secret that campaign contributions sometimes lead to lucrative official favors. Rarely, though, are the tradeoffs quite as obvious as in the twisted case of Coconut Road. The road, a stretch of pavement near Fort Myers, Fla., that touches five golf clubs on its way to the Gulf of Mexico, is the target of a \$10 million earmark that

appeared mysteriously in a 2006 transportation bill written by Rep. Don Young, R-Alaska.

Young, who last year steered more than \$200 million to a so-called bridge to nowhere reaching 80 people on Gravina Island near Ketchikan, has no constituents in Florida.

Connie Mack, the Republican congressman whose district does include Coconut Road, says he did not seek the money.

County authorities have twice voted not to use it, until Young and Mack wrote letters warning that such refusal could

jeopardize future federal funds for Lee County.

The Coconut Road money is a boon, however, to Daniel J. Aronoff, a real estate developer who helped raise \$40,000 for Young at the nearby Hyatt Coconut Point hotel days before he introduced the measure.

Aronoff owns as much as 4,000 acres along Coconut Road. The \$10 million in federal funds would pay for the first steps to connect the road to Interstate 75, exponentially increasing the value of Aronoff's land.

He did not return phone calls seeking comment.

A consultant who helped push for the project explained why its supporters held the fundraiser. "We were looking for a lot of money," said the consultant, Joe Mazurkiewicz. "We evidently made a very good impression on Congressman Young, and thanks to a lot of great work from Congressman Young, we got \$81 million to expand Interstate 75 and \$10 million for the Coconut Road interchange."

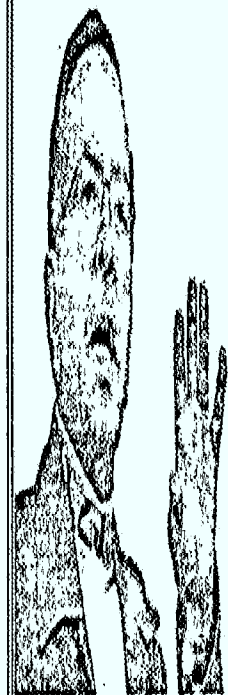
Young's role, first reported by The Na-



Young

Stevens put on notice by FBI

Investigators ask senator to preserve records. B-1



See Page A-7, YOUNG

[<<Back](#)



Stevens, Young make national headlines on corruption charges

by Steve Mac Donald
Thursday, June 7, 2007

ANCHORAGE, Alaska -- Two-thirds of Alaska's congressional delegation has made national headlines over the last two days related to possible corruption schemes from Alaska all the way to Florida.

The Washington Post is reporting that Sen. Ted Stevens has hired a lawyer as the result of an FBI investigation into the VECO Corp. bribery case.

According to the Post, the FBI has instructed Stevens to preserve records relevant to the probe.

The 83-year-old Republican has refused to say what kinds of records he's been asked to save.

Meanwhile, the New York Times reported yesterday that Congressman Don Young is forcing a county in south Florida to accept \$10 million it did not request and does not want.

According to the Times, Young added the money to the budget last year when he was chairman of the House Transportation Committee to pay for a major upgrade of Coconut Road in Lee County, Fla.

But county officials say they never asked for the money and are opposed to the road upgrade because of the harm it would do to nearby wetlands and drinking water.

The Times story says Young tucked the appropriation into the budget after receiving \$40,000 during a campaign fundraiser organized by a Florida businessman who would benefit from the road upgrade.

According to the story, the businessman owns 4,000 acres of land along Coconut Road. The Times says when its reporter asked Young to comment on the story, the congressman responded with an obscene gesture.

Steve Mac Donald is assistant news director for Channel 2 News. Contact him at smacdonald@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-688

194A-AN-13620-M;345

(Mount Clipping in Space Below)

(Indicate page, name of B-1
newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 06/8/2007
Edition: FRIDAY

Title: KOHRING TO REVEAL DECISION
JUNE 19

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-689

194A-AN-13620-M, 346

Kohring to reveal decision June 19

■ **RESIGNING?** The indicted legislator chooses a Chamber luncheon as the setting.

By STEVE QUINN
The Associated Press

JUNEAU — An indicted member of the Alaska House said Thursday he may resign, but is reserving any announcement on his future until he can address voters in his home district.

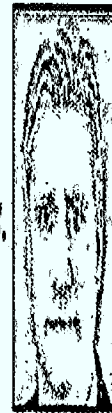
State Rep. Vic Kohring said he has informed Gov. Sarah Palin that he may resign, and the Wasilla Republican will meet with House Speaker John Harris next Tuesday to discuss his options.

Those include "an agreeable transfer of responsibilities should I decide to resign," he said in a prepared statement.

Kohring said he will announce any decision at the Greater Wasilla Chamber of Commerce weekly luncheon

"It's important for me to make the announcement before my constituents."

— Rep. Vic Kohring



"It's important for me to make the announcement before my constituents," he told The Associated Press. "To do that, it's best for it to be at the Wasilla Chamber of Commerce in front of a diverse group of folks."

Last month, Kohring and two former lawmakers were indicted on federal charges of bribery and extortion related in part to changes in the state's

on June 19, one week before the Legislature will hold a special session in Anchorage to review funding for the state's SeniorCare program.

See Page B-7, KOHRING

KOHRING: Several have suggested that he resign

Continued from B-1

oil production tax passed in 2006.

Kohring was chairman of the House Oil & Gas Committee, which did not review the petroleum production tax bill in 2006 but did hold hearings on Palin's gas line bill this year.

This year, during a House vote on Palin's Alaska Gasline Inducement Act — or AGIA

— Kohring heeded the advice of a senior lawmaker and did not vote.

Palin, also from Wasilla, has suggested that Kohring resign, and senior Republicans have also asked him to consider that option. A recall effort is under way in Wasilla.

Kohring has refused, saying resigning would not serve his constituents. He's working during the interim and attended the

House Resources Committee meeting on Thursday in Anchorage.

He said he still receives support from constituents, but he also understands the pressures on him to resign.

"If I decided to stay, I'm in for major battles on my hand with the recall and other issues," he said. "I hate to be boxed in a situation, but I can see there is no easy way out."

FBI - Stevens-690

(Indicate page, name of newspaper, city and state.) B-3

ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 06/8/2007
Edition: FRIDAY

Title: COCONUT ROAD DEAL MORE
RECYCLED NEWS, YOUNG SAYS

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-691

194A-AN-13620-m, 347

YOUNG: Alaska con

Continued from B-1

Coconut Road deal more recycled news, Young says

■ DENIES TRADEOFFS: He says senior congressmen on powerful committees just get more money.

By KEVIN DIAZ
Anchorage Daily News

WASHINGTON — Rep. Don Young, who has made a career out of bringing federal dollars to Alaska, shrugged off reports Thursday that he steered millions of dollars to help a prominent campaign contribution with a Florida road project.

Young's role in the Fort Myers Coconut Road deal two years ago has received growing media scrutiny in recent months as the new Democratic Congress debates earmark reform, an agenda energized by Alaska's controversial "bridges to nowhere" funding championed by Young and Sen. Ted Stevens.

Both Republican lawmakers were subjects of national news reports Thursday. Stevens in a Washington Post story on the federal bribery investigation that has enveloped his son, former Alaska Senate President Ben Stevens, Young in a New York Times story

describing how he sponsored \$10 million for a road project that helped Florida real estate developer Daniel Aronoff, days after Aronoff helped raise \$40,000 for Young's political funds.

The Times reported that it got no response from Young other than an obscene gesture.

In a statement to the Anchorage Daily News, Young did not dispute any of the facts in the story, which he called "old news."

But he did dismiss the suggestion of tradeoffs for campaign cash, noting that businesses with interests before the powerful

Transportation Committee that he chaired until this year routinely gave his senior members lots of money.

"Every story that comes out is the same, with different players and different projects," he said. "When you are the chairman of the largest committee in the House, and a senior member, and in charge of writing a \$200-odd billion bill, it's a guarantee that you are going to be raising more money than other less senior members. ... It's also a guarantee that

there will be a plethora of projects for people to look at and pick apart. This is a recycled story."

Young's defense is similar to one he gave in April to explain campaign contributions from a Wisconsin trucking executive alleged to have improperly benefited from road legislation originating in Young's committee.

Young further dodged by the guilty plea of former aide Mark Zachares in the Jack Abramoff bribery scandal, has retained a Washington law firm.

Congressional Democrats quickly picked up on the Florida revelations, which were first reported in a Naples, Fla., news



Rep. Don Young tells a story about his sponsoring a \$10 million road project in Florida "old news."

A spokesman for Young, a fellow lawmaker, learned of

FBI - Stevens-092

See Page B-6, YOUNG

(Indicate page, name of newspaper, city and state.) A-5

FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 06/8/2007
Edition: FRIDAY

Title: KOHRING AVOIDED VOTING ON
PALIN'S GAS LINE BILL

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-693

194A-AN-13620-m;348

Kohring avoided voting on Palin's gas line bill

BY STEVE QUINN

Associated Press Writer

JUNEAU — State Rep. Vic Kohring, who faces bribery and extortion charges, revealed this week that a senior lawmaker asked that he not vote on Gov. Sarah Palin's natural gas pipeline bill.

He said he understands his pipeline vote could have been considered tainted, so he honored the request from Minority Leader Beth Kerttula, D-Juneau. Kohring is now considering a new request from Republican leaders that he resign his legislative seat.

"I haven't made a final decision," he told The Associated Press. "I'll listen carefully to my constituents. I've taken this role very seriously, but I'm not so wedded to this job or have so much pride that it would get in the way of respecting the wishes of the public."

He has indicated a decision

could be reached this week, ahead of a legislative special session on benefits for senior citizens, which will start June 26 in Anchorage.

On Wednesday afternoon, Palin and members of her energy team participated in a ceremonial signing of the Alaska Gasline Inducement Act — or AGIA — in Fairbanks.

Under AGIA, producers and independent pipeline companies can vie for rights to build a pipeline that lawmakers hope will ship trillions of cubic feet of North Slope natural gas to market.

The House and Senate passed Palin's bill May 11, a week after Kohring and two former lawmakers were indicted on federal charges of bribery and extortion related in part to changes in the state's oil production tax passed in 2006.

Palin also said she would call a special session later this year to re-examine how last year's

"I haven't made a final decision. I'll listen carefully to my constituents. I've taken this role very seriously, but I'm not so wedded to this job or have so much pride that it would get in the way of respecting the wishes."

State Rep. Vic Kohring,
R-Wasilla



Legislature considered and passed the Petroleum Profits Tax plan, which she has said was approved under a dark cloud.

The indictments left some lawmakers squeamish about Kohring casting votes on any energy-related bills in the waning days of this year's legislative session.

When lawmakers discussed and voted on AGIA on May 11, Kohring quietly left the House chambers and didn't return until all discussion on the bill was completed.

Kohring initially declined to

identify who asked him to refrain from voting, saying it was people he held in "high regard," but on Wednesday he confirmed Kerttula asked that he step aside.

"I thought it would keep things calm and provide the least amount of disruption by not being a part of that vote," Kohring said. "So I made the decision to quietly slip out."

"She wasn't putting any pressure on me at all; she just gave me some wise counsel, and it was prudent of me to simply not vote," he said.

Kerttula said she approached FBI - Steveris-694

Kohring outside the House chambers, saying she thought it was best he leave the floor before the vote.

"I had two concerns: integrity of the (legislative) body and for individuals to be treated fairly," she said. "Having him off the floor accomplished those."

An attorney, Kerttula said she was still mindful of Kohring's constitutional right to be considered innocent until his trial, now scheduled for October, is completed.

"I wasn't judging him when I was asking him to do that," she

said. "He didn't have to do it, but he took a lot of pressure off the body. It showed quite a bit of courage that moment."

House Speaker John Harris, R-Valdez, said Kerttula first approached him about talking to Kohring.

Harris said he supported the decision as Kohring had already been stripped of his position as chairman of the House Oil & Gas Committee following the charges.

"With all the speculation going on, it meant for a less confrontational vote," Harris said. "You can't say the vote was tainted because he didn't vote."

Besides Kohring, also facing bribery and extortion charges are former Republican Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau. Kott has asked that his trial also be delayed until this fall; Weyhrauch is scheduled for trial next month.

(Indicate page, name of newspaper, city and state.) A-D

FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 06/8/2007
Edition: FRIDAY

Title: KOHRING TO CHOOSE FATE JUNE 19

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Kohring to choose fate June 19

BY STEVE QUINN
Associated Press Writer

JUNEAU — An indicted member of the Alaska House said Thursday he may resign, but is reserving any announcement on his future until he can address voters in his home district.

State Rep. Vic Kohring said he has informed Gov. Sarah Palin that he may resign, and the Wasilla Republican will meet with House Speaker John Harris next Tuesday to discuss his options.

Those include "an agreeable transfer of responsibilities should I decide to resign," he said in a prepared statement.

Kohring said he will announce any decision at the Greater Wasilla Chamber of Commerce weekly luncheon on June 19, one week before the Legislature will hold a special

session in Anchorage to review funding for the state's Senior-Care program.

"It's important for me to make the announcement before my constituents," he told The Associated Press.

"To do that, it's best for it to be at the Wasilla Chamber of Commerce in front of a diverse group of folks," he said.

Last month, Kohring and two former lawmakers were indicted on federal charges of bribery and extortion related in part to changes in the state's oil production tax passed in 2006.

Kohring was chairman of the House Oil & Gas Committee, which did not review the petroleum production tax bill in 2006 but did hold hearings on the Palin's gas line bill this year.

This year, during a House vote on Palin's Alaska Gasline Inducement Act — or AGIA — Kohring heeded the advice of a

senior lawmaker and did not vote.

Palin, also from Wasilla, has suggested that Kohring resign, and senior Republicans have also asked him to consider that option.

A recall effort also is under way in Wasilla.

Kohring has refused, saying resigning would not serve his constituents.

He's working during the interim and attended the House Resources Committee meeting on Thursday in Anchorage.

He said he still receives support from constituents, but he also understands the pressures on him to resign.

"If I decided to stay, I'm in for major battles on my hand with the recall and other issues. I hate to be boxed in a situation, but I can see there is no easy way out," he said.

FBI - Stevens-695

194A-AN-13620-m;349

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

FRONTIERSMAN

Date: 06/10/2007
Edition: SUNDAYTitle: RECALL BACKER SAYS KOHRING
WON'T QUITCharacter:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Recall backer says Kohring won't quit

BY JOHN R. MOSES
Frontiersman

WASILLA — The head of a recall drive against Rep. Vic Kohring got an unexpected call last week from his recall target.

Kohring told Wasilla City Councilman Mark Ewing that the drive may not be necessary if Kohring decides to resign, and invited Ewing to attend his discussion session June 19 at the Wasilla Chamber of Commerce meeting about whether he should go.

Kohring is under indictment and facing trial in October on bribery charges following a federal investigation into corruption in Juneau.

The petition seeking his recall does not use corruption as a reason. It states that Kohring is emotionally unfit to serve due to "a lack of mental fitness that he has demonstrated in the wake of his

arrest on Federal Grand Jury indictments on May 4, 2007."

The petition goes on to state examples of "unfit" behaviors, such as Kohring's televised tears after losing his chairmanship of the Oil and Gas Committee, and his failure to vote on gas pipeline legislation — an inaction which the petition terms "Neglect of Duties."

Ewing spent a sunny Saturday afternoon at the corner of Lucille and Spruce gathering signatures from the tailgate of a black pickup parked in a vacant lot. He said he won't attend the chamber meeting and does not expect Kohring to resign by the end of it.

"I told him I don't have any hard feelings," Ewing said. "I'm doing what my constituents asked me to do. I'm doing what feels right."

Ewing has learned that

See RECALL, Page A10

FBI - Stevens-696

194A-AN-13620-M;350

RECALL

Continued from Page A1

doing what he feels is right has some downsides. He recently reported a telephoned death threat, has had his vehicle spat upon and occasionally gets some interesting hand signals from passing motorists. He said he also has to closely guard the petitions and stopped one individual from walking away with a petition holding several signatures.

Saturday saw brisk business at Lucille and Spruce with several motorists honking in support of the "Recall Vic" signs posted on his truck. Three clipboards on the tailgate held signatures. Ewing said sometimes more than one car stops at the same time.

Kohring (R-Wasilla) may announce his decision to the Wasilla Chamber on June 19. He plans to discuss whether to

stay in office or resign his seat in the legislature.

The embattled legislator will meet Tuesday with House leadership in order to discuss the process "and an agreeable transfer of responsibilities should I decide to resign," Kohring said. "I have also contacted the governor to make her aware that I may leave my District 14 seat so she can prepare for an orderly transition."

"As a courtesy, I have also contacted Mark Ewing (of the recall effort) and informed him I am considering resigning which may save him a lot of time and effort, enabling him to instead focus on serving his constituents as a city council member," Kohring said in his media release.

Kohring stated he is "disappointed that a few residents of District 14 have chosen to rush to judgment."

A media release from Kohring's office states that he has been talking with family, friends and constituents about

the pending trial and "the conflicts with his legislative position."

"As the result of these discussions, I am seriously considering resigning from the legislature," Kohring said in the release.

Kohring said any decision he makes will be based on the best interests of his family, friends, constituents and state.

"I wish to do what's right," he said. "I strongly believe in our constitution and its guarantee that I am presumed innocent until proven guilty. Should I decide to resign, I want to make it very clear it would not be an admission of guilt of any charges or allegations. However, with the growing perception created since my arraignment last month, it is making it difficult for me to serve in the best interests of all concerned."

Kohring said his attorney has asked that he limit what he says about the case, as it may jeopardize his defense.

"There are two sides to every

story and unfortunately my side cannot be told until after the trial. I ask the media to take that into account as it has often reported only one side," he said.

Whatever the sides are, the recall continues. Ewing said he has more than enough signatures to qualify the petitions. The state requires 710 valid signatures and Ewing has about twice as many unverified signatures. The state will eliminate signatures with bad addresses or that are from people who don't live in Kohring's district.

"I've got enough to satisfy the state. I don't have enough to satisfy me," he said shortly before the male half of a pair bicycling by stopped on the street began questioning Ewing from afar about the level of proof Ewing has that Kohring should be recalled. The short discussion ended after the bicyclist accused Ewing of duping people into signing the petition and said that no recall should go forward.

"Well, the 1,400 people who signed the petition think so," Ewing replied.

Like three men who stopped in the rocky lot within a 15-minute timeframe to sign a petition, the man who was against the petition declined to read its arguments.

"He wants to argue the point, but he doesn't want to read it," Ewing said after the man left. "I think it speaks for itself."

adn.com

Anchorage Daily News

Print Page

Close Window

Judge grants delays in the trials of two former legislators

By KYLE HOPKINS

Anchorage Daily News

(Published: June 12, 2007)

A federal judge Monday delayed the political corruption trials of former state Reps. Pete Kott and Bruce Weyhrauch by two months.

Kott's lawyer asked for the extra time to review evidence -- including at least 250 hours of video and hundreds of phone conversations -- that investigators collected in the case.

U.S. District Court Judge John W. Sedwick agreed, pushing the trial date back from July 9 to Sept. 5.

Kott and Weyhrauch are accused of selling their votes and influence to executives at the oil field services company, Veco Corp. Much of the activity occurred during the 2006 legislative session. Both have pleaded not guilty to bribery, extortion and conspiracy charges.

Kott and Weyhrauch both now live in Juneau, their lawyers said. Kott, a former Republican House Speaker, had represented Eagle River. Weyhrauch, also Republican, represented Juneau.

The former legislators did not appear in court but phoned into the short hearing, saying little. As he waits for his trial to begin, Kott continues to work on his flooring business, said his defense lawyer, James Wendt. Weyhrauch, represented at the hearing by attorney Ray Brown, is continuing to work as a private practice attorney.

In late May, Sedwick agreed to delay a similar trial for Rep. Vic Kohring, R-Wasilla, by three months.

Former Anchorage Rep. Tom Anderson also is facing federal charges. He's pleaded not guilty to bribery, extortion and money laundering.

Anderson had a court date on Monday, too -- a status conference, according to a computerized database in the clerk's office. But no public hearing appeared on the court calendar.

Just before Kott and Weyhrauch's hearing began, defense lawyers asked assistant U.S. Attorney James Goeke if there had been a hearing to delay Anderson's case.

Goeke said Anderson's trial had not been continued. He did not acknowledge whether Anderson had actually appeared in court.

When asked about the Anderson hearing, U.S. Department of Justice spokesman Bryan Sierra said: "There's nothing public that I can disclose to you or discuss with you."

FBI - Stevens-698

Find Kyle Hopkins online at adn.com/contact/khopkins, read his political blog at adn.com/alaskapolitics or call him at 257-4334.

[Print Page](#) [Close Window](#)

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-699

adn.com

Anchorage Daily News

Print Page

Close Window

Kohring seeks advice from his constituents**STAY OR RESIGN? Wasilla Republican is asking his constituents for their input.**

By SABRA AYRES

sayres@adn.com

(Published: June 12, 2007)

JUNEAU -- Rep. Vic Kohring is asking his constituents whether he should resign as pressure mounts from the governor's office, House leadership and a public recall petition circulating in his district.

Kohring, a Republican from Wasilla, was indicted last month on federal charges of bribery, extortion and conspiracy and has pleaded not guilty. In a Daily News opinion piece being published today, he asked his constituents to send him e-mails, faxes or phone messages on whether they think remaining in office is in the best interest of his district.

Kohring has held his seat since 1994.

Kohring said he would consider all responses but isn't adding them up in columns marked stay or go. He will closely look at the reasons people give and will announce his decision on June 19 at the Greater Wasilla Chamber of Commerce.

"I want this to be an inclusive effort," Kohring said.

He said he is leaning toward leaving the Legislature so he can concentrate on his defense.

"To be honest, my life is on the line here," Kohring said.

He chose the upcoming chamber meeting as a good opportunity to reveal his decision in his district, he said.

"The issue of possibly resigning weighs heavily on my mind and is with me almost constantly," he said. But if he resigns, it would "absolutely not be an admission of guilt," he said.

Kohring's decision to make a public announcement came a week after House Speaker John Harris, R-Valdez, and House Majority Leader Ralph Samuels, R-Anchorage, asked him to consider leaving his seat. Harris and Samuels told Kohring the allegations against him had cast a negative light on the Legislature as a whole and diminished public trust in lawmakers.

The charges against Kohring spring out of a wider federal investigation into political corruption. Former House members Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau have also pleaded not guilty to bribery, extortion and conspiracy. Federal prosecutors accused Kott, Weyhrauch and Kohring of selling votes to the Anchorage oil field services company Veco Corp. during last year's petroleum production tax vote. Two Veco executives, Bill Allen and Rick Smith, pleaded guilty on May 7 to charges of bribery and conspiracy. In addition, former Rep. Tom Anderson has been indicted on bribery, extortion and money laundering charges in connection with a scheme involving a private corrections company. Anderson also has pleaded not guilty.

Kohring, Kott and Weyhrauch's trials are scheduled to begin this fall. Anderson's trial is set for June

FBI - Stevens-700

<http://www.adn.com/news/politics/fbi/v-printer/story/8970725p-8885628c.html>

194A-AN-13620-M;352

6/12/2007

25.

Gov. Sarah Palin has said she will call a special legislative session in the fall to ask lawmakers to revisit the oil tax. She said last month she believed Kohring should step down.

In his opinion piece, Kohring said he felt the media attention on his case had tainted the public's ability to judge him fairly. As a result, a "resign now bandwagon" has ensued, he wrote.

"To repeatedly remind the public that I've been indicted, have been charged, am part of an FBI investigation, etc., while conveniently leaving out the fact that a person is presumed innocent until proven guilty, creates an impression of guilt in the public's mind," Kohring said in an e-mail interview. "Why are you not writing multiple articles about former legislators Kott, Weyhrauch and Stevens, and why the nearly complete emphasis on me?"

Kott, a former House Speaker, was defeated in the primary election. Weyhrauch, Anderson and former Senate President Ben Stevens didn't run again. Stevens has not been charged with a crime but Allen and Smith admitted bribing a senator that matches the description of Stevens.

Wasilla Councilman Mark Ewing last month began collecting signatures in Kohring's district to initiate a recall petition. If the petition were successful in collecting some 1,700 signatures, the state could then call a new election to ask voters if Kohring should be removed.

Ewing said Monday he would abandon the recall petition if Kohring resigns on June 19.

"If he doesn't, I guarantee we will force him out with a recall vote," Ewing said. "I'm willing to take it all the way. I'm an ex-football player, and I'm willing to take this all the way home."

Find Sabra Ayres online at adn.com/contact/sayres or call 1-907-586-1531.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-701

adn.com

Anchorage Daily News

Print Page

Close Window

Kohring likely to resign next week, House speaker says

By STEVE QUINN

The Associated Press

(Published: June 12, 2007)

JUNEAU - House Speaker John Harris said Tuesday he expects an embattled lawmaker facing federal extortion and bribery charges to resign.

Harris, who joined Majority Leader Ralph Samuels for an hour-long meeting with state Rep. Vic Kohring today in Anchorage, said he expects Kohring will announce his resignation next week.

"He didn't fully say he was going to, but the gist I got out of the meeting is that he is going to resign," Harris said. "He is still trying to work his way through all of this."

Kohring, a Republican, did not immediately return phone calls left at his Wasilla office.

He earlier announced that he would announce at a chamber luncheon in Wasilla on June 19 whether he planned to remain in office or resign.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-702

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-1

ANCHORAGE DAILY NEWS

Date: 06/13/2007
Edition: WEDNESDAY

Title: SPEAKER EXPECTS KODJING
RESIGN

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-703

194A-AN-13620-M;354

Speaker expects Kohring to resign

'CORDIAL': Despite Republican leaders' talk with legislator, he won't announce until Tuesday.

By STEVE QUINN
The Associated Press

JUNEAU — House Speaker John Harris said Tuesday he expects an embattled lawmaker facing federal extortion and bribery charges to resign.

Harris, who joined Majority Leader Ralph Samuels for an hour-long meeting

with state Rep. Vic Kohring on Tuesday in Anchorage, said he expects Kohring will announce his resignation next week.

"He didn't fully say he was going to, but the gist I got out of the meeting is that he is going to resign," Harris said. "He is still trying to work his way through all of this."

Kohring, a Republican, earlier said he would announce at a chamber luncheon in Wasilla on June 19 whether he planned to remain in office.

On Tuesday, Kohring told The Associated Press that he won't veer from that

schedule despite the meeting, which he characterized as "cordial and friendly."

"There was no pressure involved," Kohring said. "I just simply went there on my terms and gave them an update."

Kohring, along with former Republican House Reps. Pete Kott, formerly of Eagle River and now of Juneau, and Bruce Weyhrauch, of Juneau, have all been charged with bribery and extortion.

All three have pleaded not guilty and have had their original July trial dates pushed back to the fall.

Not long after Kohring was charged, Gov. Sarah Palin, also of Wasilla, said she believed he should step down.

Tuesday's meeting with the Republican leaders was the second for Kohring. The first came after the end of the legislative session last month.

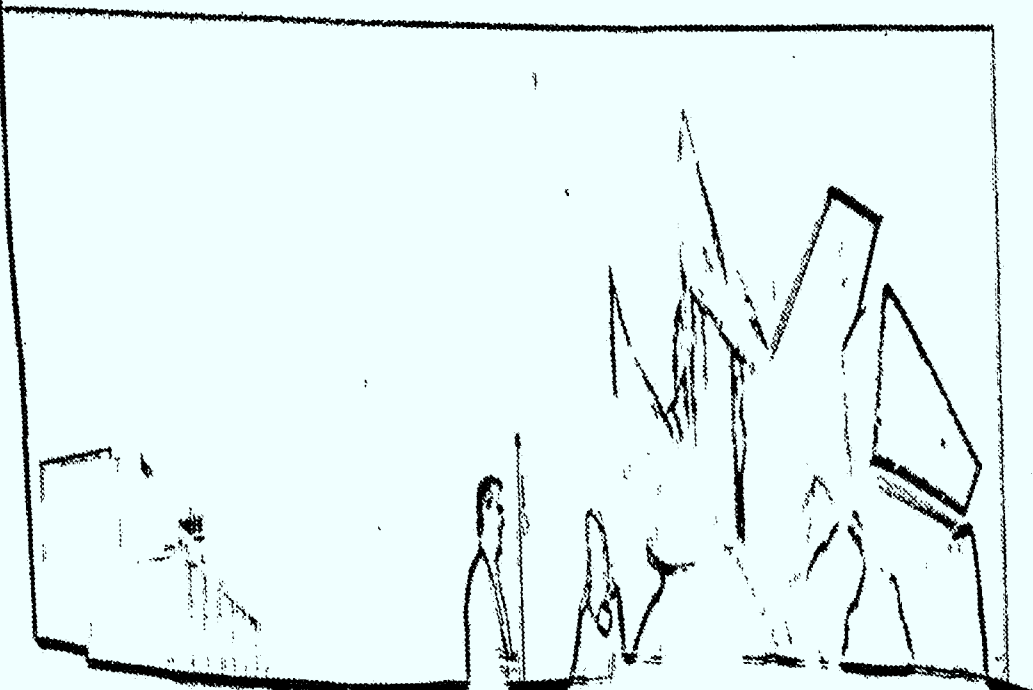
Kohring has repeatedly asked the public, legislators and Palin to presume he is innocent and to allow him to do a job he's held since 1994.



House Speaker John Harris met Tuesday with Kohring.

See Page B-2, KOHRING

TAKING RENEWABLE ENERGY OUT FOR A SPIN



FBI - Stevens-704

to the public system.

By KATIE PESZNECKER
kpesznecker@adn.com

Roger Sampson, Alaska's education commissioner, has resigned to work for a national education organization, according to the governor's office.

Gov. Frank Murkowski first approved Sampson's appointment to head the Department of Education and Early Development in May 2003, and Gov. Sarah Palin kept him in the job when she took over.

"Commissioner Sampson has worked tirelessly for the students

statement. While I am sorry to see

Commissioner Sampson leave ... he has a tremendous opportunity to have an impact on a national level, which can only be good for ... Alaska."

Previously, Sampson was superintendent of the Chugach School District and won National Rural Superintendent of the Year honors in 1997. Now he'll preside over the Education Commission of the States, a group created by Congress in the 1960s to research improvements to public education.

"The country is crying for a way to



Sampson

think these opportunities at the national level come available very often, and I felt fortunate to be given the opportunity to do it. So I'm going to give it a whirl."

Sampson's achievements during his four-year tenure included starting a statewide mentoring program that pairs new teachers with experienced ones.

He also pushed changes in state-required tests. Exams are better now, Sampson said, because teachers can use them to figure out where children are lagging.

Sampson's last day on the job is Aug. 17. He starts in Denver Sept. 1.

The State Board of Education will select a new commissioner candidate, subject to the governor's approval.

A commissioner must have at least a master's degree and five years of experience in education after earning that degree, including at least three in administration. The board will take applications through July 10, said Eric Frye, education department spokesman.

"We're looking for a proven education leader with a long track record of success," state board chairman

dren and learning, and have the leadership skills necessary to inspire others to achieve our goals."

The department, based in Juneau, oversees 53 school districts in the kindergarten-to-12 education system and operates a boarding high school. The department also operates the state archives, the state library, two state museums, a statewide arts council, the postsecondary education commission, and the professional teaching practices commission.

Find Katie Pesznecker online at adn.com/contact/kpesznecker or call her at 257-4589.

KOHRING: He sought constituents' feedback

Continued from B-1

"If I were to resign, it's not an admission of guilt; it's primarily because I've got to focus on this trial," he said.

Kohring declined to comment on the charges, on the advice of his lawyer.

"Once people hear the other side and understand where I'm coming from, they will see these charges are inappropriate," Kohring said.

In an opinion piece published Tuesday in the Daily News, Kohring asked his Matanuska-Susitna Borough constituents to tell him whether he should continue serving.

"The issue is actually very simple," he

wrote. "Can I or can I not adequately represent you while I wait for these charges to be resolved at trial?"

On May 4, federal prosecutors accused Kott, Weyhrauch and Kohring of selling votes to officials of Veco Corp., an Anchorage oil field services company.

Prosecutors allege this occurred while lawmakers were considering a rewrite of the state's petroleum production tax vote.

On May 7, two Veco executives, Bill Allen and Rick Smith, pleaded guilty to charges of bribery and conspiracy.

As a result, Palin has said she will call a special legislative session in the fall to

adn.com

POLITICAL BLOG: Share your thoughts on Kohring's fate and the current state of affairs in Alaska politics at

adn.com/alaskapolitics

ask lawmakers to revisit how the Legislature in 2006 passed that oil tax.

Though he may not have felt pressure from his House colleagues, Kohring said the angst from the charges is mounting.

"I'm feeling very stressed, just as any man must feel after being charged with these serious crimes," Kohring said.

Palin wants Mat Maid to reconsider closing

FBI - Stevens-705

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 06/15/2007
Edition: FRIDAYTitle: STEVENS ASKS ETHICS TO
REVIEW FINANCESCharacter:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Stevens asks ethics panel to review finances

ETHICS REPORTS: No indication that Alaska senator will ask for any investigation.

12

ANCHORAGE — Sen. Ted Stevens disclosed today that he has asked the U.S. House Committee to review his latest financial disclosure reports, which detail personal financial holdings and

assets, were due May 15 and scheduled for public release Thursday. But Stevens' report was not among them.

Instead, the longest serving Republican in the Senate was one of nine senators who got extensions.

Aaron Saunders, a spokesman for Stevens, said the extension was needed because the ethics panel review "is still ongoing."

He declined to say anything more about the matter.

Ethics reviews of lawmakers' financial

reports are unusual unless they are under a legal cloud.

Stevens, in his sixth term, recently disclosed that he has been asked to preserve financial records in connection with a Justice Department bribery investigation of several leading political figures in Alaska, including his son, former state Senate President Ben Stevens.

His office has declined to say whether the elder Stevens talked with investigators.



Ted Stevens was among nine U.S. senators who received extensions for financial disclosures.

See Page B-6, STEVENS

STEVENS: Questioning contractors

Continued from B-1

from the Justice Department's Public Integrity Section, which is conducting the probe.

The FBI has questioned contractors who performed work on Stevens' Girdwood residence, a job overseen by his friend and then Veco Corp. head Bill Allen, who has pleaded guilty to bribing state legislators.

There has been no indication so far that Stevens, who faces re-election next year, is the di-

rect target of any investigation.

However, in delaying the release of his financial disclosure report this week, Stevens was in company with at least five others who face legal snags, including Sen. Robert Menendez, D-N.J., who faces a federal probe in connection with the rental of a building he owns, and Rep. John Doolittle, R-Calif., whose Virginia home was recently raided in connection with the ongoing Jack Abramoff investigation.

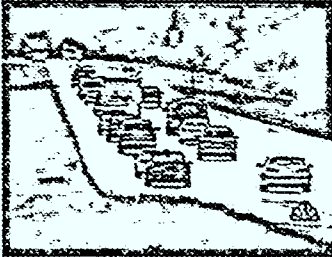
FBI - Stevens-706

194A-AN-13620-m;355

[<<Back](#)



Florida residents react to earmark by Congressman Don Young



by Mike Ross
Friday, June 15, 2007

ANCHORAGE, Alaska -- Officials in Lee County, Fla. have decided to accept a \$10 million earmark, which thrust Alaska Congressman Don Young into national headlines last week. But they're taking the money on their own terms.

Rep. Don Young earmarked money for a road in Florida that has become controversial because of who it may benefit. (KTUU-TV)

The earmark, added to a transportation bill by Young in 2005, provided funding to study the expansion of Coconut Road, making it an interchange between two major highways.



What made it controversial were allegations that the expansion project would benefit Daniel J. Aronoff, a Michigan businessman who owns land surrounding the road and who hosted a political fundraiser for Young. The fundraiser happened at a Florida hotel owned by Aronoff after Young attended a town hall meeting on transportation issues in the area a few days earlier.

Rep. Don Young earmarked money for a project that could potentially benefit a man who raised \$40,000 for Young's campaign. (KTUU-TV)

A county commissioner alleged that the earmark, which had not been requested, appeared to be payback for the fundraiser, which raised \$40,000 for Young.

"I think it's revolting, the way Congress conducts itself," said Ray Judah, commissioner, Lee County, Fla.



"They're setting priorities for us. The NPO didn't even have this in its 2030 plan," said Phillip Douglas, a resident of Lee County.

But some residents in Florida defend Young, saying that the road has needed an upgrade for a long time for hurricane evacuation purposes, and other reasons.

"I think it's revolting, the way Congress conducts itself," said Ray Judah, commissioner, Lee County, Fla. (KTUU-TV)

"It sounds like Congressman Young did a good thing by giving the community \$10 million to spend on I-75," said Kathy Harris, a resident of Naples, Fla.



Tonight Lee County leaders reached a compromise, voting to accept the money, but broaden the scope of the study to include other transportation projects.

Congressman Young's office this week responded to media requests by faxing several articles and editorials supporting the interchange, including one from the Florida Gulf Coast University president, who called the project vital.

"They're setting priorities for us. The NPO didn't even have this in its 2030 plan," said Phillip Douglas, a resident of Lee County. (KTUU-TV)

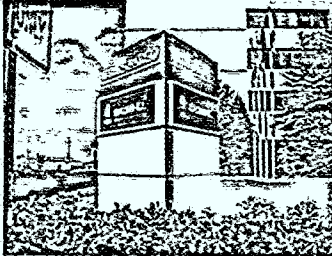
Contact Mike Ross at mross@ktuu.com

FBI - Stevens 707

<<Back



CH2M Hill to buy VECO for \$463 million

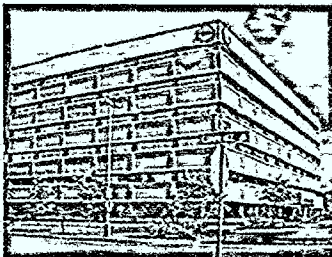


CH2M Hill will purchase VECO for \$463 million dollars. (Jason Kohler/KTUU-TV)

by Joy Mapaye
Saturday, June 16, 2007

ANCHORAGE, Alaska -- It is official. A Denver-based company has reached a deal to buy VECO for \$463 million. Both companies made the announcement today.

A spokesperson for VECO says CH2M Hill and VECO reached an agreement on terms at the end of the day yesterday after a long week of negotiations. The two companies signed a letter of intent for exclusive negotiations on May 15.



A spokesperson for VECO says CH2M Hill and VECO reached an agreement on terms at the end of the day yesterday after a long week of negotiations. (Jason Kohler/KTUU-TV)

About a week before, VECO CEO Bill Allen and VECO's vice president of community and government affairs, Richard Smith, both pled guilty in federal court to charges of conspiracy, bribery and fraud. They admitted to bribing state lawmakers to win political favors for the company, allegations past and present lawmakers deny.

The company says negotiations with CH2M Hill began months before the federal charges came to light.

Right now VECO says the focus is on the future.



Former VECO CEO Bill Allen and vice president of community and government affairs, Richard Smith, both pled guilty in federal court to charges of conspiracy, bribery and fraud. (Courtesy photo)

"The ownership and the management really couldn't be more pleased. They really believe that this is a perfect fit and a tremendous outcome for VECO. CH2M Hill has a tremendous reputation, a global position, a tremendous array of clients that will work very well with what VECO's workforce brings to the table," said Tim Woolston, VECO spokesperson.

"The main attraction of VECO was the employees, a highly skilled workforce. I think it's a natural fit with our core business and we think the merger or the acquisition will allow us to offer a wider range of services to our customers and to VECO's customers," said John Corsi, CH2M Hill spokesperson.

VECO has more than 4,000 employees.

Both companies are expected to finalize details by the end of August.

Contact Joy Mapaye at joy@ktuu.com

FBI - Stevens-708



Tim Woolston, a VECO spokesperson, says the merger is a perfect fit for both companies. (Jason Kohler/KTUU-TV)



"It sounds like Congressman Young did a good thing by giving the community \$10 million to spend on I-75," said Kathy Harris, a resident of Naples, Fla. (KTUU-TV)



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-709

adn.com

Anchorage Daily News

Print Page

Close Window

Grand jury examines Stevens' ties to Veco**INVESTIGATION:** Expansion of senator's Girdwood home comes under scrutiny in Washington.By RICHARD MAUER
rmauer@adn.com

(Published: June 17, 2007)

A federal grand jury in Washington, D.C., heard evidence last month about the expansion of U.S. Sen. Ted Stevens' Girdwood home in 2000 and other matters connecting Stevens to the oil services company Veco Inc.

As the far-reaching federal investigation into corruption in Alaska politics spreads to Washington, Stevens family friend and neighbor Bob Persons was ordered to appear before a grand jury in Washington on May 25. The government directed him to produce documents related to the work on Stevens' Girdwood house, especially to work that might have been performed by Veco and contractors who were hired or supervised by Veco.

Another close associate of Stevens, Anchorage businessman Bob Penney, testified two weeks ago before the federal grand jury in Anchorage that has been gathering evidence in the corruption cases.

The house expansion project, first reported in the Daily News on May 29, more than doubled the size of the home. The Stevenses had asked Persons, who lives above the Double Musky restaurant he owns in Girdwood, to help them oversee the addition while they were in Washington.

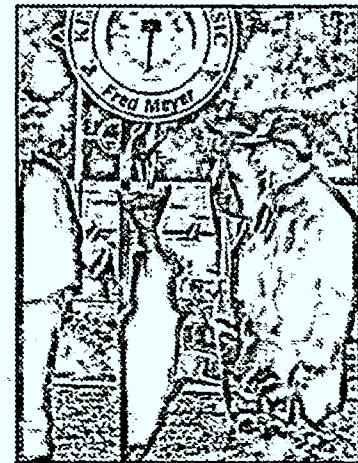
The existence of the Washington grand jury investigation is the strongest indication to date that Stevens himself has become a subject of the wide-ranging federal probe that surfaced with FBI raids on state legislative offices last August. Former State Sen. Ben Stevens, Ted Stevens' son, was among the legislators whose offices were searched. Ben Stevens has denied wrongdoing.

The FBI said at the time that it also had executed a search warrant in Girdwood, among other places, although the location of that search has never been disclosed. FBI - Stevens-710

VECO GUILTY PLEAS

The investigation by the FBI and the Justice Department's Public Integrity Section has so far led to guilty pleas by former Veco chief executive Bill Allen, former Veco vice president Rick Smith and private-prison lobbyist Bill Bobrick. Four current or former state legislators have been indicted and are awaiting trial on corruption charges, three for taking bribes or attempting to take bribes from Veco, the other for taking bribes from the private prison interest.

How the Girdwood home fits in with the broader investigation, or what possible crimes are being



Ted Stevens, right, and Bob Penney, center, bring VIPs such as Commerce Secretary Donald Evans to Alaska for the Kenai Classic. Penney gave testimony to an Anchorage grand jury two weeks ago. (LIZ RUSKIN / Daily News archive 2003)

investigated, is not clear.

Persons was ordered by the Washington grand jury to produce documents going back more than eight years, including all letters, e-mails and other documents involving Ted, his wife, Catherine, or Ben Stevens. Specifically mentioned were records about a race horse partnership, Alaska's Great Eagle, he manages for Ted Stevens, Allen, Allen's son Mark, Penney and others.

But the main focus was clearly on the Girdwood addition. Persons was directed to produce blueprints and other plans, photos and purchase and installation documents for all phases of the project, including the heating system, generators, ice-melt systems and decorative lights. His summons also told him to bring invoices, payments and other documents related to several Veco employees and to the main contractor, Augie Paone of Christensen Builders in Anchorage.

Persons' didn't return a call for comment last week.

In a brief interview May 18, a week after he received his subpoena and one week before his date with the grand jury, Persons acknowledged he would be testifying, but didn't say where or in what setting.

STEVENS GOES TO FRANCE

Stevens left for France on Thursday to be President Bush's official representative to the Paris Air Show. His spokesman, Aaron Saunders, said that in any event Stevens and his wife would continue to refrain from commenting on the investigation.

FBI spokesman Eric Gonzalez also declined to comment.

Penney would not discuss his testimony.

"All that stuff is confidential," he said from his home in Soldotna. Penney and Stevens are longtime friends and business associates. Every summer for more than a decade, Stevens and Penney bring VIPs to Alaska for the Kenai River Classic, a king salmon tournament that raises money for fish habitat.

Penney's attorney, Bruce Gagnon, said of Penney's appearance before the grand jury: "I think you know as well as I do what they're interested in." Asked whether that was Ted Stevens and Ben Stevens, Gagnon said, "Yeah, yeah."

"And why are they going off in Washington, D.C., as well as here?" Gagnon wondered out loud. "It may well be because they want to try this case back there."

Gagnon said he only knew of one witness -- Persons -- who had been called before the Washington grand jury.

In the face of two years of video surveillance of his company's suite in Juneau's Baranof Hotel and wiretaps on his telephones, Allen pleaded guilty in May to conspiracy, bribing legislators and violating tax laws. Smith, a fixture in that suite, also pleaded guilty. They face about 10 years in prison but hope to reduce their time by cooperating with prosecutors. Their sentencings have not been scheduled.

ALLUDING TO BEN STEVENS

FBI - Stevens-711

The charging documents against Allen and Smith contained barely veiled references to Ben

Stevens, alleging that "State Senator B" accepted \$243,250 in phony "consulting" payments from Veco in exchange for advice, lobbying colleagues and taking official acts. Ben Stevens' legislative disclosures say he received that amount of money from Veco for consulting. But nothing in those documents appeared to refer to Ted Stevens. However, a seemingly out of place sentence in a paragraph on Veco described the company's activities: "Veco was not in the business of residential construction or remodeling."

In interviews with the Daily News in May, Paone said he was hired by Allen to complete the framing and other carpentry on the addition. He said he submitted more than \$100,000 in invoices for the job to Veco. After Veco approved the invoices, he received a check in the mail from the Stevenses that appeared to have been written on a new account -- all the check numbers were in single or double digits.

Stevens' home sits about two blocks from the day lodge parking lot at the Alyeska ski area. It was a single story building until the expansion, when a house mover from Anchorage, Tony Hannah, jacked it up so a new living area could be inserted under the original house. A garage was also built.

Paone said he testified before a federal grand jury in Anchorage in December.

Last month, Stevens' office issued this statement about the investigation: "While I understand the public's interest in the ongoing federal investigation, it has been my long-standing policy to not comment on such matters. Therefore, I will withhold comment at this time to avoid even the appearance that I might influence this investigation."

ROLE OF GRAND JURIES

Legal experts in corruption cases said that while it's unusual for prosecutors to use grand juries in separate jurisdictions in an investigation, they may have sound reasons. The experts also cautioned that even though prosecutors may be presenting evidence to a grand jury, that doesn't mean crimes have been committed.

Paul Butler, a law professor at George Washington University and a former federal attorney who prosecuted a U.S. senator and several FBI agents, said it could simply be a matter of convenience for witnesses.

Jules Epstein, a law professor at the Widener University School of Law in Wilmington, Del., and a criminal defense lawyer, said the grand juries could be investigating separate, unlinked crimes.

Peter Henning, a law professor at Wayne State University in Detroit, said prosecutors might bring a case against a popular elected official in Washington to avoid being "home-courted."

Prosecutors don't take an investigation into a sitting member of Congress lightly, Butler said. They almost certainly must get the approval of the attorney general, he said.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

Print Page

Close Window

FBI - Stevens-712

Kohring may not soon tell his plans

UNABLE TO SPEAK? Recovery after sinus surgery could delay lawmaker's talk about his future.

By STEVE QUINN
The Associated Press

JUNEAU — Lawmaker Vic Kohring, who faces federal extortion and bribery charges, said Sunday that health problems might delay his announcement on plans to step down from public office.

Kohring said a slow recovery from sinus surgery to clear his nasal passages may keep him from giving the news at a Greater Wasilla Chamber of Commerce luncheon on Tuesday as he had previously announced.

"There is going to be a decision, and it's going to be soon," Kohring told The Associated Press. "I just hope it's on (Tuesday). We'll see how my health will be that day."

Kohring, a Wasilla Republican, has called resigning a "serious option," a direction pushed by other lawmakers since shortly after his May 4 arrest.

Kohring said he is favoring that option as the chamber luncheon draws close. He said he is not trying to delay the inevitable, nor is he trying to avoid a public disclosure.

The surgery was performed Thursday and planned long before he promised to make a chamber luncheon appearance, he said. The procedure was done when he and his doctor had compatible schedules, he said.

Kohring said he would prefer to make a public announcement at the chamber's weekly meeting rather than simply issue a news release. He said he owes a face-to-face disclosure to those who helped elect him and then kept him in office since 1994.

"I need to be as personal about this as I can," Kohring said. "It's the toughest and most challenging time."



Kohring

Below)

KOHRING: Time to talk and move on

Continued from B-1
cial session to address funding for senior citizens. The session will be held in Anchorage, beginning June 26.

Kohring, plus fellow Republicans Pete Kott and Bruce Weyhrauch all face federal charges. All have pleaded not guilty and await a fall trial.

On May 4, federal prosecutors accused Kohring and former lawmakers Kott and Weyhrauch of selling votes to officials of Veco Corp., an oil field services company.

Prosecutors allege this occurred while lawmakers were considering a rewrite of the state's petroleum production tax last year.

Last month, two Veco executives, Bill Allen and Rick Smith, pleaded guilty to charges of bribery and conspiracy. The two have since resigned. They have not yet been scheduled for sentencing.

As a result of the charges and pleas, Gov. Sarah Palin has said she will call a special legislative session in the fall. She has said she wants lawmakers to revisit how the Legislature in 2006 passed that oil tax.

Meanwhile, Kohring is spending time in his Wasilla office and preparing for his defense against the federal charges.

"I want to make my announcement and move on, whichever way I may," he said.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 06/18/2007
Edition: MONDAY

Title: KOHRING MAY NOT SOON TELL HIS PLANS

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-713

1001 11 11 11-359

(Indicate page, name of newspaper, city and state.)

FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 06/19/2007
Edition: TUESDAY

Title: KOHRING TO KEEP QUIET UNTIL NOON

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Kohring to keep quiet — until noon

BY JOHN R. MOSES

Frontiersman

WASILLA — Embattled state Rep. Vic Kohring, R-Wasilla, said Monday he will attend today's Wasilla Chamber of Commerce luncheon and



Vic Kohring

announce whether or not he will step down from the Legislature.

The lawmaker is among three legislators facing trial in October following an FBI corruption inquest in Juneau. Kohring is the subject of a recall drive organized by Wasilla City Councilman Mark Ewing and is under federal criminal indictment for suspicion of allegedly selling his vote on an oil pipeline issue.

Kohring last week underwent sinus surgery at an Anchorage hospital, and a slow recovery cast into doubt whether

he'd be well enough to speak today. Kohring, voice scratchy but cracking jokes nonetheless, said Monday he'd give that talk even if they have to "wheel me in on a stretcher."

"I have made a decision. I will not announce it until tomorrow," Kohring said Monday.

Announcing his intentions before the meeting would take away from the public's interest in what he plans to say at the meeting and, cut attendance, he said. "Not that I'm trying to make a media circus out of it."

Kohring has maintained that even if he does announce that he will step down, he wants to stay long enough to address senior care legislation during a special session called for June 26 in Anchorage.

Kohring and the other defendants in the corruption cases, former Republican legislators Pete Kott and Bruce Weyhrauch, pleaded not guilty to selling

votes to the Veco Corp. during consideration of Alaska's petroleum production tax rates late last year.

The chamber luncheon begins at noon in the Lake Lucille Best Western Inn restaurant.

The keynote speaker will be Todd Smith of the Department of Transportation, who will update chamber members about summer road construction projects.

Vic Kohring will be giving a brief update, the chamber Web site notes.

Program fees are \$3 for chamber members and \$5 for nonmembers, and optional lunch is payable to the Best Western Lake Lucille Inn.

Visit the Frontiersman online at www.frontiersman.com following the luncheon for a full story about Kohring's announcement.

Contact John R. Moses at 352-2270 or e-mail john.moses@frontiersman.com.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A-1.

ANCHORAGE DAILY NEWS

Date: 06/20/2007
Edition: WEDNESDAY

Title: KOHRING TO STEP DOWN

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-715

194A-AN-13620-M;361

RESIGNATION WILL TAKE EFFECT IN 30 DAYS

Kohring to step down



FBI - Stevens-716

EVAN R. STEINHAUSER / Anchorage Daily News

Rep. Vic Kohring announces his resignation at the Wasilla Chamber of Commerce meeting at the Best Western Lake Lucille Inn on Tuesday.

'Constituents expect full-time representation,' Palin says

By JULIA O'MALLEY and KYLE HOPKINS
Daily News reporters

Under indictment for bribery, state Rep. Vic Kohring announced his resignation on Tuesday, and Valley Republicans began work to replace him.

"I expect there will be at least 10 people who apply," said Alaska Republican Party head Randy Ruedrich.

Kohring told a ballroom packed with constituents that he'll resign from office in 30 days.

"The media and the population in general does not know I'm innocent. This has left a cloud of doubt over me and my votes," he said at a Wasilla Chamber of Commerce luncheon.

An hour after the luncheon, Steve Colligan, Republican party chairman for his Wasilla district, circulated a packet outlining how to apply for Kohring's job. But on pos-

INSIDE

REPLACEMENT: Gov. Palin has 30 days to name a replacement. Follow the process.

TIMELINE: What prompted him to step down.

Back Page

sible replacements, both Ruedrich and Colligan were mum. Potential candidates can nominate themselves. Applications are due July 11.

Kohring, who was first elected in 1994, was indicted last month on federal bribery and extortion charges. He's accused of selling his vote on oil taxes last year to executives with the Anchorage oil field services and construction company Veco Corp. The executives pleaded guilty last month to pay-

ing the bribes.

Kohring has pleaded not guilty and said he hopes to return to office someday. He said his character has been unfairly maligned in the media.

"I have been charged by the federal government with serious crimes, for which I am totally innocent and plan to fully demonstrate at trial in October," he said. "Resigning by no means suggests guilt; it simply means I take the federal charges very seriously."

Kohring appealed to the public to tell him whether to step down over recent weeks, and about 60 percent of the responses he received favored his staying in office, he said. His lawyer told him to focus on his court battle. Trial is scheduled for Oct. 22.

"I very much want to shout the details proving my innocence, but I have been ad-

See Back Page, KOHRING

KOHRING: Wasilla representative to resign July 19 to focus on case

Continued from A-1

vised not to by the court and my lawyer," he said, reading from a statement. "Thus, the drama will have to be concluded in a courtroom."

CRITICS AND FRIENDS

After Kohring made his announcement, some people — maybe a third of the room — stood and clapped. Others sat and watched as the legislator took his seat.

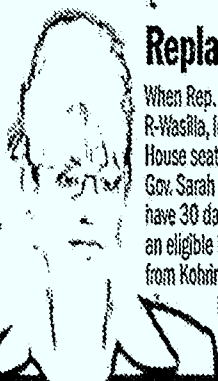
The split between Kohring's friends and critics was even clearer outside the hotel, where roughly 30 people waving "Recall Vic" and "Do the right thing" signs greeted Kohring as he arrived.

Wasilla City Councilman Mark Ewing, who led a recall effort, stood next to a pickup full of signs and shouted, "Do the right thing, buddy!" as Kohring's car rolled past.

Ewing said he and his girlfriend started circulating petitions to recall Kohring on Memorial Day weekend and gathered as many as 300 signatures a day. His stack of names is now at least 160 pages long, he said.

A few Kohring supporters appeared as well. Wasilla resident Debbie Wright said she's lived in the Valley for about 11 years. She held a "We like Vic" sign, though she's not the sign-waving type.

"I've never stood up for anything in my life," she said. It's up to a jury to judge Kohring, not the media, she said.



Replacing Kohring

When Rep. Vic Kohring, R-Wasilla, leaves his House seat on July 19, Gov. Sarah Palin will have 30 days to appoint an eligible Republican from Kohring's district.

Here's how it will work:

1 Republicans from his Wasilla district will take applications through July 11. E-mail them to stevecolligan@gmail.com. Applicants will be interviewed; the top three will be chosen July 13, and their names will be forwarded to the governor. Palin can, however, choose someone else.

2 The appointee must be confirmed by a majority vote of the Republicans in the House.

3 House Republicans must vote in special or regular session. A special session on oil taxes has been suggested for this fall. The next regular session begins Jan. 15.

4 If the appointee is confirmed, he or she will be sworn in and serve out the rest of Kohring's term, which ends in January 2009.

5 If the House Republicans reject the appointee, Palin has 10 more days to repeat the selection process and submit a new name.

adn.com

VIDEO: Go online to see Kohring's resignation announcement.

adn.com/corruption

Nearby, another sign read, "Vic-tim" and "Vic-torious."

After his announcement, reporters mobbed Kohring, who told them this period had been one of the most trying of his life. Though he'd heard a lot of support from people in his district, he'd also gotten some threats.

"Frankly there have been some times when I've been concerned for my safety," he said.

LOOKING FORWARD

House Speaker Rep. John Harris, R-Valdez, showed up at the luncheon to stand by Kohring and said the resignation will preserve the reputation of the House of Representatives.

"It helps to clarify the issue," he said.

Gov. Sarah Palin sent out a statement in the late afternoon in support of Kohring's decision.

"He has a lot on his plate in terms of a defense that he has to mount, and Kohring's constituents expect full-time representation," she said.

Jim Chesbro, chairman of the Mat-Su Democrats, expected Kohring to step down. He had sympathy for the legislator and was apprehensive about what might come next. The new selection could be worse, he said.

"It's kind of a mixed blessing that he'll be stepping down," he said. "We'll all have to wait and see what the outcome is."

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334. Find Julia O'Malley online at adn.com/contact/jomalley or call 257-4591.



EVAN R. STEINHAUSER / Anchorage Daily News

Protesters with signs urging Rep. Vic Kohring to resign demonstrate at Wasilla's Best Western Lake Lucille Inn before Tuesday's Chamber of Commerce meeting where Kohring announced he would step down.

Timeline of federal investigation of Rep. Vic Kohring, R-Wasilla

- FEB. 21, 2006:** Then-Gov. Frank Murkowski unveils a bill to start taxing crude oil based on oil company profits rather than production levels. The governor says the tax reform was part of a deal with Exxon Mobil, BP and Conoco Phillips on a gas pipeline contract.
- FEB. 23, 2006:** Wasilla Rep. Vic Kohring, who offered to help Veco Corp., allegedly accepts \$1,000 in cash from Bill Allen, then chief executive of Anchorage-based Veco.
- FEB. 28, 2006:** Exxon and BP executives warn lawmakers that imposing a higher tax rate than the 20 percent of profits the governor proposes might undo the gas pipeline deal. (Veco also lobbies for no changes.)
- MARCH 30, 2006:** Kohring tells Veco executives he owes \$17,000 on a credit card, changing documents say. They discuss how to structure a loan without raising "red flags." Smith allegedly hands Kohring at least \$100 in cash.
- APRIL 24, 2006:** Senate passes an oil-tax bill that would tax oil at a rate of 22.5 percent. Veco is pressing for a 20 percent rate.
- MAY 9, 2006:** Regular session ends with no new oil tax — Senate fails to concur with a House-approved 21.5 percent rate.
- AUG. 10, 2006:** In special session, legislators approve new oil tax, setting rate at 22.5 percent tax of profits.
- MAY 4, 2007:** Kohring indicted for conspiracy to commit extortion and bribery. So are former Reps. Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau.
- MAY 7, 2007:** Allen and another Veco executive plead guilty to bribing Kohring, Kott and Weyhrauch on the oil-tax legislation.
- OCT. 22, 2007:** Kohring's trial is scheduled



EVAN R. STEINHAUSER / Anchorage Daily News

Kohring arrives at the Wasilla Chamber of Commerce meeting Tuesday. Kohring, who had asked constituents to weigh in on whether he should quit, said responses ran about 60 percent in favor of his keeping his seat in the Legislature. He said he'd decided, though, he needed to devote his full time to fighting his federal indictment.

(Indicate page, name of newspaper, city and state.)

FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 06/22/2007
Edition: FRIDAYTitle: KOHRING RESIGNS AMID
CLOUD OF DOUBT

Character:

or

Classification: 194A-AN-13620

Submitting Office: Anchorage

Indexing:



GREG JOHNSON/Frontiersman

State Rep. Vic Kohring ended weeks of speculation at Tuesday's Wasilla Area Chamber of Commerce meeting, announcing he will resign his position in the Legislature. Kohring faces criminal charges and a federal indictment for allegedly asking for money in exchange for his vote. He proclaimed his innocence again Tuesday and said his innocence would be proved at trial.

Kohring resigns amid 'cloud of doubt'

Editor's note: A version of this story was first published Tuesday online at www.frontiersman.com. Visit daily for breaking news.

BY RUSSELL STIGALL

Frontiersman

MAT-SU — A local recall proponent is relieved but skeptical of Rep. Vic Kohring's announced resignation.

"It was a graceful exit," said

Mark Ewing, Wasilla City Council member and head of a recall Kohring petition campaign. But whether Kohring, R-Wasilla, will honor his promise to leave office by July 19 Ewing said he isn't so sure.

"I still don't trust the guy. He is still the master of deception. Thirty days will tell, won't it?" Ewing said.

Ewing has spent the last several weekends collecting signatures from Kohring con-

stituents who wanted their scandal-wracked legislator to step aside. Ewing has suspended his recall effort, but said he would be ready to rekindle it if Kohring doesn't follow through. The state legislator announced his resignation at a Tuesday Greater Wasilla Chamber of Commerce meeting to a crowd of more than 200.

"I'm not getting rid of the sig-

See KOHRING, Page A6

FBI - Stevens-718

194A-AN-13620-M;362

KOHRING

Continued from Page A3

natures," Ewing said, adding he harbors no animosity for Kohring. "No one is trying to beat him up here. We just want to be represented."

Though quitting his office, Kohring did not admit guilt to allegations he extorted and accepted bribes.

"I have been charged by the federal government with serious crimes for which I am totally innocent," Kohring said.

Kohring's decision stems from a grand jury indictment on counts of bribery and extortion. While stepping down from office, Kohring said the act would not be the end of his political career.

"I have decided to step down from office, win at court and then return to public life," he said.

Besides focusing his attention on proving his innocence, Kohring said he resigned to avoid to the appearance of guilt that could taint his office.

"The media and the population in general does not know I'm innocent," Kohring said. "This has left a cloud of doubt over me and my votes."

Material from Kohring's office was confiscated last year by the Federal Bureau of Investigation in its investigation into corruption surrounding oil and gas deals under then-Gov. Frank Murkowski. Kohring allegedly extorted Veco, a multinational oil field services company, when he allegedly agreed to perform certain official acts in exchange for money he did not officially earn, according to the indictment.

The indictment also says he conspired to perform official acts as a member of the Alaska State Legislature "for the purpose of enriching himself and his family members."

With Kohring leaving office, Gov. Sarah Palin will have to choose his replacement.

The replacement will not take office until Kohring steps down; however, Palin will probably not wait long to make her pick, said Speaker of the House John Harris, R-District 12.

"I think the governor will have somebody selected and named before the 30 days is up," Harris said.

Palin would pick from a selection of qualified voters from Wasilla provided by the Republican Party of the Kohring's Wasilla district, said Randy Ruedrich, chairman of the Republican Party of Alaska.

"Qualified requires a registered member of the outgoing legislator's party who has lived in district and been registered as [a]



RUSSELL STIGALL/Frontiersman

Former state Rep. Vic Kohring has a myriad of media and hundreds of eyes on him while he waits to announce his resignation Tuesday in Wasilla.

party member for one year prior to outgoing legislator's date of election," Ruedrich said. State law would not allow Palin to pick a Democrat or Independent to replace Kohring.

Palin should pick a replacement who could be ratified by majority of the House's remaining Republicans. "The process works," Ruedrich said. "It is pretty well time tested."

Palin is not bound by the replacements recommended by the Republican party, said Rex Shattuck, Republican Party member and aide to Rep. Mark Neuman, R-Big Lake. The governor normally does, but does not have to.

Who will populate this short list of candidates is not yet known. Palin's pick will finish out Kohring's term, which expires in 2008. When Palin replaces Kohring, Mat-Su Borough Assembly Member Cindy Bettine said she hopes the governor looks close to home.

"I hope the governor picks somebody who has served in local government or has some real experience dealing with Mat-Su's growing pains," Bettine said.

Kohring was first elected to office in 1994.

Contact Russell Stigall at 352-2267 or russell.stigall@frontiersman.com.

(Indicate page, name of newspaper, city and state.) B-1

ANCHORAGE DAILY NEWS

Date: 06/26/2007
Edition: TUESDAY

Title: PRUNING BEGINS ON ANDERSON
JURY

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-720

194A-AN-13620-M; 363

ANDERSON: Potential jurors vetted for views

Continued from B-1

judge she relies on National Public Radio and the Anchorage Daily News.

"Did you ever watch 'Perry Mason?'" Sedwick asked, referring to the television show famous for defendants on trial who turned out to be innocent.

Davis said she'd have to hear a lot of evidence that the allegations were not true before she'd vote that way.

She won't be on the jury either.

Not all those dismissed said they were biased against Anderson.

Warren Suddock, a retired police officer who said he had known Anderson's father — the former head of the Alaska State Troopers — for 40 years, told the judge he went through the FBI training academy and knew how the system worked. He wouldn't give his opinion publicly.

He's out too.

Among the Alaskans still being considered are Deidre Peterson, who told the judge that she once dated Anderson, found the accusations "kind of unbelievable," and tried to tune out news coverage about the case.

They met at a bar and went out just once, a few years ago, for dinner at Sullivan's, Peterson said. They haven't been in touch since. But she still thought well of Anderson and figured the stories about him couldn't be right.

Prosecutor Joe Bottini asked the judge to exclude her from the jury pool. But the judge noted that they just had the one date and that Peterson said she could still consider the case fairly. Anyway, the prosecution and the defense each can exclude some potential jurors today without having to give a reason.

Some others who remained in the pool either don't follow the news or didn't recall de-

tails of what had been published regarding Anderson.

Sean Sward of Anchorage said he tries to keep the news from his children.

"It seems to be mostly bad," Sward said.

Anderson is the first of four indicted Alaska state politicians to go to trial, but his case is distinct from the other three, who are accused of taking bribes from executives with Veco Corp. Anderson is accused of being paid off through a phony Web business to do the bidding of a private prison company.

A number of people in the jury pool told the judge they thought Anderson was part of the Veco mess. Sedwick told them the charges against Anderson have nothing to do with Veco.

Technically, that's true, though the government does plan to submit some evidence that involves Veco, Bottini told the judge as court wrapped up

Monday.

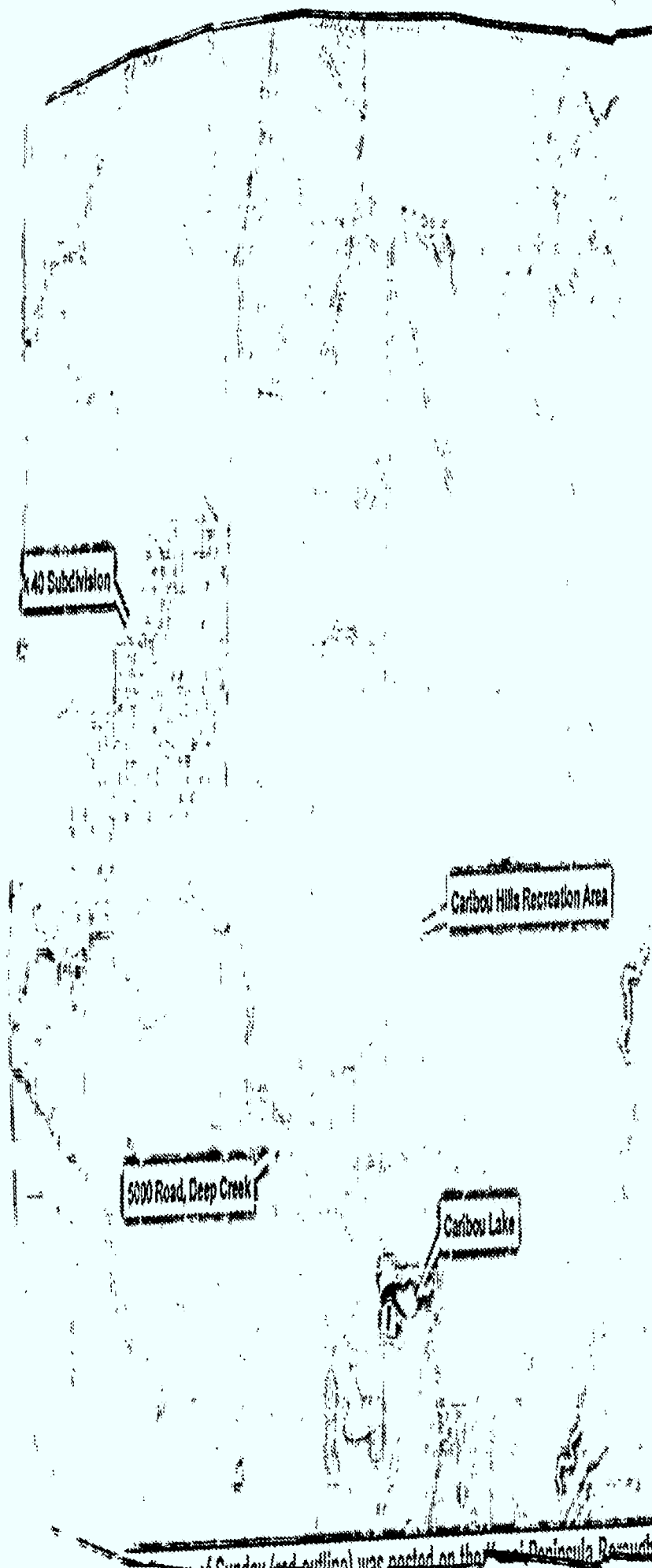
Anderson was a paid consultant to Veco at the time he was a legislator, and prosecutors plan to show jurors his financial disclosure reports, Bottini said.

Plus, in one of the secretly recorded conversations the government plans to play for jurors, the Veco contract is discussed in a way that suggests it's a "sham contract," Bottini said.

Anderson's lawyer, Paul Stockler, said he plans to file a motion regarding that material.

In all on Monday, Sedwick and attorneys on both sides questioned 70 potential jurors. Of that group, 20 people were excused, most because of their opinions on the case. At least three had scheduling conflicts.

Find Lisa Demer online at adn.com/contact/lidemer or call 257-4390.



vance.

Property owners, this evening will be allowed through to the Niniichik 40 subdivision on Oil Well Road for the first time since state troopers blocked it at pavement's end on Thursday, officials said.

adn.com

WILDFIRE: To see a list of damaged cabins on the Kenai Peninsula, visit

adn.com/kenai

Fire managers will allow overnight public access from 7 p.m. until 7 a.m. and will continue that pattern daily as the fire allows, said Paul Slenkamp, an Alaska Division of Forestry spokesman.

Calm, moist weather Monday allowed firefighters to almost finish a dirt line blocking the fire from creeping farther down Deep Creek's south slope toward Niniichik, and officials said crews made strong progress on two other lines to protect housing developments.

The forecast called for warmer and drier days, though.

"As the weather warms, we'll see how our lines hold," Slenkamp said. "This fire is far from out."

On Monday the army fighting

FBI - Stevens-722

of Sunday had outlined was posted on the Kenai Peninsula Borough

Anderson wants debt kept out of bribe trial

UNDECIDED: Prosecutors say they usually can't use financial info.

By LISA DEMER
demer@adn.com

Tom Anderson was deep in debt and living beyond his means during the time that prosecutors say he took bribes to do the bidding of a private prison company, according to assertions in a new court filing.

Federal prosecutors want to show jurors the former state legislator's financial records, including tax returns, bank records and credit reports. Anderson is fighting to keep the material out of the trial, arguing that it is irrelevant.



Anderson, 39, is being tried on seven felony charges, including bribery, extortion and money laundering.

Prosecutors say that Bill Bobrick, then a top lobbyist in Anchorage, set up a phony business and used it to funnel payments from Cornell Cos. to Anderson.

Among the issues before U.S. District Judge John Sedwick.

Anderson's work for Veco Corp. Anderson was a paid Veco consultant during the time he was in the Legislature, but he is not charged with any crime related to the Anchorage-based landfill services contractor. His defense lawyer, Paul Stockler, wants to prevent jurors from hearing a recording of a conversation in which Bobrick says Veco was paying Anderson \$2,500 a month "to do nothing."

Other recordings, Stockler says in court filings that he believes the government's case is based largely on secretly recorded conversations involving Anderson, Bobrick and Frank Prewitt, a former state corrections commis-

See Back Page, ANDERSON

FBI - Stevens-723

(in Space Below)

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 06/27/2007
Edition: WEDNESDAY

Title: ANDERSON WANTS DEBT OUT
KEPT OUT OF BRIBE TRIAL

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

ANDERSON: Fight on details

Continued from A-1

sioner who went to work as a consultant for Cornell.

Stockler is asking for longer sections to be played during the prosecution case than what the government intends.

Otherwise, the government portions are misleading and unfairly prejudicial because conversations are being taken out of context," Stockler's motion said.

By the time the defense gets its chance to play recordings, maybe a week later, the significance will be lost, he argues.

Financial records. Prosecutors Nick Marsh and Joe Bottini say in court papers that they couldn't use the fact that someone was poor to establish a financial motive for a crime, but they say this is different.

The records will be used with Anderson's own statements to demonstrate Anderson's motive for using his public legislative office for personal gain, they say. The government likely will show jurors evidence that Mr. Anderson was living beyond his means.

Anderson, 39, had "a significant debt load" and the \$12,028 that Anderson is accused of receiving from Cornell amounted to more than a quarter of his income in 2004, the prosecutors say.

Anderson's financial difficulties led to his eagerness to do what he could in his position as a state legislator to help Cornell, they say in the filing.

But Stockler says the records don't speak to whether Anderson did what he is accused of doing and shouldn't be shown to jurors.

As to Veco, Stockler argues that Anderson wasn't even part of the conversation between Bobrick and Prewitt, who worked as an FBI "confidential source" in the investigation. Since the charges against Anderson don't involve Veco,

there's no reason to tell jurors about the relationship other than to show "other bad acts or character evidence," Stockler argued.

The July 21, 2004, conversation took place at the Southside Bistro, according to a partial transcript that Stockler filed in court. Prewitt had just been wired up by the FBI. Here's part of the conversation.

Bobrick: Tom knows how to run campaigns.

Prewitt: Mm hum.

Bobrick: And he's also a lawyer and does (unintelligible) corruption. It's actually far more real work than what Veco does.

Prewitt: Yeah, I've never figured out what Veco does.

Bobrick: Well, yeah, they just pay him to do nothing.

Prewitt: Who? Tom?

Bobrick: Yeah.

Prewitt: Does he still have his consulting firm? See, I thought maybe he lost his contract with Veco.

Bobrick: No, he's rather independent, well, in my opinion. I mean, if you really put him on the spot and said, "What do you do?" I think he'd say, "Well, I review documents for them." Well, they have their own lawyers to do that (laughing).

Prewitt: So Veco, Veco just pays him. How much are they paying him?

Bobrick: Oh, about twenty-five hundred bucks a month.

Prewitt: Geez. So.

According to Anderson's reports to the Alaska Public Offices Commission, Veco paid him \$10,000 in 2003 for "consulting on community council and local government affairs," \$17,500 in 2004 for "consultation on Russian business endeavors" and \$2,500 in 2005 "election/proposition research."

Jury selection resumes today.

194A-AN-121-20-11-364

ANDERSON: Debt*Continued from A-1*

Bobrick has pleaded guilty to a conspiracy charge in the case and has agreed to testify against Anderson. Bobrick came up with a scheme to create a phony company and use it to funnel payments from the private prison firm Cornell Cos. to Anderson, prosecutors assert. Cornell didn't know about the scheme, and after the FBI got involved it provided the payments.

PREWITT'S PAST

The other key witness will be Prewitt, whose own flaws the prosecutor discussed at length.

Prewitt, who became a consultant to Cornell after leaving his state post, was being investigated for various actions when the FBI confronted him in April 2004, Bottini said.

He agreed to help the FBI in its "broad public corruption investigation," the prosecutor said. Anderson is one of four legislators or former legislators indicted in the past seven months.

Cornell had been trying for years to open a private prison in Alaska, and Prewitt may have tried to improperly influence a state corrections official regarding it, the prosecutor said.

He also was being investigated for a practice in political campaigns known as "conduit contributions" in which someone gives money to other people to pass on to candidates. That is done to bypass campaign contribution limits. Bobrick also was involved in "conduit contributions," Bottini said.

In addition, while Prewitt was state corrections commissioner, he accepted \$30,000 from a friend who had business with the department, Bottini said.

The government has no deal with Prewitt that he won't be charged with any crime in exchange for his help, but certainly he's hoping for a break, the prosecutor said.

At any rate, the government mainly will rely on conversations secretly recorded by Prewitt and will play a string of them for jurors, Bottini said.

The prosecution case "is primarily based on the words and actions of Tom Anderson," Bottini said.

FBI - Stevens-724

Anderson Jury hears two views of his role

OPENING ARGUMENTS:

Judge allows admission of financial data by prosecution.

by LISA DEMER
ldemer@adn.com

Prosecutors say Tom Anderson was a debt-ridden politician who sold his office for \$12,838 and knew exactly what he was doing.

The defense says the real culprit is former state corrections commissioner Frank Prewitt, who was under investigation himself and exploited Anderson to save himself. Anderson was a hard-working legislator who never took any official actions in exchange for money, said defense attorney Paul Stockler.

Jurors on Wednesday heard those contrasting views as the two sides gave opening statements in the public corruption trial of Anderson. The first witnesses will be called today.

Anderson, a two-term state representative who didn't run again in 2006, is fighting seven felony charges including bribery, extortion and money laundering.

A jury of eight women and four men, plus four alternatives, was seated Wednesday afternoon. They were picked from a pool of 102 after hours of questioning by U.S. District Judge John Sedwick and lawyers spread over three days. Some scribbled notes as the lawyers gave their opening statements.

A small crowd of spectators came to hear. A friend of Anderson's who has been collecting money for his defense sat in, but Anderson's wife, state Sen. Lesli McGuire, didn't attend.

Jurors will be asked to absorb complicated information over the next few days, prosecutor Joe Bottini told them.

Neither of the central figures in the case against Anderson — Prewitt and former lobbyist Bill Bobrick — are "squeaky clean witnesses," Bottini acknowledged.

(Indicate page, name of newspaper, city and state.) **A-1**

ANCHORAGE DAILY NEWS

Date: 06/28/2007
Edition: THURSDAY

Title: ANDERSON JURY HEARS TWO VIEWS OF HIS ROLE

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

'OUR BOY IN JUNEAU'

In early July 2004, Prewitt heard from Bobrick that Anderson was deeply in debt and needed to find work, the prosecutor said. At a July 21, 2004, lunch at the Southside Bistro in Anchorage, Bobrick told Prewitt that Anderson would be "our boy in Juneau." A week later, Anderson told them that he could get on the right legislative committees for Cornell's interests. He had meetings with a corrections commissioner, testified at a public hearing in support of a Cornell project and took other official actions, Bottini said.

Bobrick told Prewitt that with Anderson, he actually would get two legislators, the government says. At the time, Anderson was dating then-Rep. McGuire, Bottini said. They since married. There's no evidence that McGuire knew about the scheme with Cornell, but once she did push the corporation's interests for Anderson, the prosecutor said.

'TRUE BLUE' LEGISLATOR

Stockler, Anderson's attorney, asked jurors to keep an open mind. The government just wants to play snippets of conversations that don't give the whole picture, he said.

Bobrick and Prewitt were both friends and mentors to Anderson, Stockler said, and "he was eager to please."

Anderson was a young man with children, a legislator who made just \$24,000 a year, a "guy who was broke," Stockler said.

Once Prewitt knew he was in trouble with the FBI, he sought to exploit Anderson's situation, the defense lawyer said. Anderson never changed a vote or a position on an issue, and it was Prewitt, not Anderson, who kept talking about money, Stockler said.

"He stays true blue to what he always had done in the Legislature," Stockler said.

Jurors can expect to hear more about Anderson's financial state during the trial. Sedwick ruled Wednesday that the material was relevant. Stockler had argued it wasn't.

"Given the relatively small amount that Anderson allegedly received in exchange for compromising the integrity of his office, the government's theory is more believable if defendant was facing serious financial difficulties," the judge wrote in his order.

An official with the Alaska Public Offices Commission likely will testify first today and prosecutors then intend to call Prewitt to the stand.

See Back Page, ANDERSON

194A-AN-13620 m:365

(Indicate page, name of newspaper, city and state.) A-4

ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 06/28/2007
Edition: THURSDAY

Title: STEVENS AND YOUNG COULD
FACE SERIOUS CHALLENGES NEXT
ELECTION

Character:

or

Classification: 194A-AN-13620

Submitting Office: Anchorage

Indexing:

FBI - Stevens-725

194A-AN-13620-M; 366

Stevens and Young could face serious challenges next election

Democrats say the time is right

By NICOLE DORAN
Hill Staff

WASHINGTON — Republicans scoffed when Democrats first asserted they would seriously challenge Alaska's two most entrenched members of Congress next year.

Republicans maintain that Sen. Ted Stevens and Rep. Don Young will win reelection with the ease both have enjoyed through most of their careers. But the political terrain in the Last Frontier appears to be shifting, and two highly regarded young Democrats are seriously weighing bids against the state's two most powerful GOP politicians.

Anchorage Mayor Mark Begich is getting the full-court press from the Democratic Senatorial Campaign Committee and the Democratic Congressional Campaign Committee. Former state House Minority Leader Ethan Berkowitz has been in serious talks with the DCCC and has expressed interest in the Senate race, too.

Begich, the son of the late Rep. Nick Begich, D-Alaska — Young's predecessor — says he is considering the committees' entreaties, but that he is focused on his mayoral duties now.

"It is very flattering ... and I think it shows what we've accomplished these last four years as mayor," Begich said.

"It shows people like what we are doing; it's a huge compliment," he acknowledged. "But every day it's a call" from someone about his political future.

And it's not just DSCC chairman Charles Schumer of New York and DCCC chairman Chris Van Hollen of Maryland burning up the phone lines to City Hall. Begich said the encounter he had with a self-described Republican man who stopped him in the grocery store and asked him to run against either Stevens or Young has become common lately.

See Back Page, CONGRESS

CONGRESS: Begich and Berkowitz would be Democrats' dream team

Continued from A-1

"I'll make a decision hopefully as the summer finishes out here," Begich said.

Berkowitz said he too will decide whether he'll run for one of the two offices by summer's end.

"They're both exciting opportunities," Berkowitz said. "I want to help put up the strongest candidates that we can. I want to see what the mayor wants to do; I want to see what other candidates want to do."

WEAKENED BY SCANDAL

Just a year ago it was unimaginable that any Democrat could dislodge Stevens, the Senate's longest-serving Republican, or Young, who has held the state's lone House seat since 1973. But that was before the FBI began a wide-ranging public corruption investigation that could ensnare both lawmakers.

The FBI told Stevens to maintain records relating to Alaska-based Veco Corp., the oil services company, and a federal grand jury convened to scrutinize whether Veco officials were improperly involved in a remodeling project at Stevens' home in the resort town of Girdwood.

Last month, Veco founder Bill Allen and another former company official admitted they bribed state lawmakers. Allen is a personal friend and major supporter of both Stevens and Young.

Allen annually threw large pig roasts benefiting Young's campaigns.

Separately, questions have arisen about an earmark Young sponsored when he was chairman of the House Transportation Committee that could lead to a financial windfall for one of his contributors.

A poll commissioned by the Alaska Democratic Party and conducted by Anchorage's Hays Research Group in mid-June showed fewer than half of the 401 Alaskans surveyed approved of the job either Young or Stevens was doing.

"That race is high on our target list and we're confident we'll have a strong candidate in the race," said Fernando Cuevas, a DCCC spokesman. "Young's numbers are terrible right now and he's extremely vulnerable."

National Republican Congressional Committee spokeswoman Julie Shutley said she sees no cause for concern.

Young "has been re-elected for 18 cycles," she said. "He was re-elected last year in a horrible cycle."

Young won an 18th full term with almost 57 percent of the vote, but his unknown and seriously underfunded opponent, Democrat Diane Benson, captured 40 percent.

According to her Web site, Benson is seeking the Democratic nomination to face Young again.

Young's worst showing was in 1992 when he won with just 47 percent.

Stevens' smallest victory margin was when he won a 1970 special election with 60 percent of the vote.

A poll commissioned by the Alaska Democratic Party and conducted by Anchorage's Hays Research Group in mid-June showed fewer than half of the 401 Alaskans surveyed approved of the job either Young or Stevens was doing.

"I think any time you poll directly after any stories like this, you get a flash response, but the election is a long time away," National Republican Senatorial Committee spokeswoman Rebecca Fisher said.

"Stevens will sail to re-election," she predicted.

UPHEAVAL WITHIN THE PARTY

Despite the positive talk of party officials in Washington, D.C., Stevens, Young and Democrats should all be concerned about the turn Alaska politics took last year. Seeking a second term as governor, former Sen. Frank Murkowski badly lost the Republican primary to Sarah Palin, a former small-town mayor who has

been vocal about corruption within the state party.

After knocking off Murkowski, she took 48 percent of the vote in the general election to defeat former Democratic Gov. Tony Knowles.

Palin's approval rating was above 80 percent in the latest poll, and several ambitious Republicans are considering following her lead and taking on the established GOP incumbents.

At least six fairly well-known Republicans are said to be weighing challenging Young or Stevens. Former Lt. Gov. Loren Leman is on the list, as is former state Senate President Mike Miller, who challenged Sen. Lisa Murkowski for the Republican nomination when she sought a full term in 2004.

As governor, Frank Murkowski, appointed her to finish his Senate term after he won the governorship in 2002.

Former state Sen. John Binkley, whom Palin also defeated in last year's gubernatorial primary, and state House Speaker John Harris, also are said to be in the mix.

Shutley says Young will face no serious GOP opposition.

"I think that possibility has been out there before with Young and his record has gotten him put on the ballot and re-elected," she said.

DEMOCRATS PRIMED TO RUN

Berkowitz said Alaskans are finally fed up with one-party domination and corruption.

"People thought that was the way

it was and that's just the way it always would be," he said. "You had a confluence of power consolidating in a handful of people and when you have that happen, it's corrupting."

Begich, who cannot seek another term as mayor in 2009, and Berkowitz, who gave up his state House seat to run for lieutenant governor with Knowles last year, have discussed their options.

"Ethan and I met [recently]," Begich said. "We talked about what his interests are and kind of what I'm thinking. It's not a decision that I need to make today."

Privately, Democrats say Begich is best suited to take on Stevens while Berkowitz should run against Young.

Both DSCC and DCCC officials refused to say which potential candidate they prefer.

"We're confident that we will have a strong candidate," DSCC spokesman Matt Miller said.

With Begich and Berkowitz talking regularly and with both setting the same timeline for making a decision, it is highly doubtful that Democrats would find themselves in a situation where the two would face each other in a primary. Both men have young families and enjoy living in Alaska, Berkowitz said.

As a result, national Democrats could end up with the slate they most desire. But they also could end up having to start recruiting all over again in September.

(Indicate page, name of newspaper, city and state.)

ANCHORAGE DAILY NEWS

Date: 06/29/2007
Edition: FRIDAY

Title: ANDERSON JURORS HEAR FBI
TAPES

Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-728

194A-AN-13620-m;367

ANDERSON: Wife is 'sickened' by Prewitt

Continued from A-1

mother, Christiane, and wife, state Sen. Lesil McGuire, R-Anchorage.

One conversation played for jurors took place July 21, 2004, at the Southside Bistro in Anchorage.

Prewitt and lobbyist Bill Bobrick were meeting over the prospects of working out an arrangement to pay Anderson to work on Cornell's Alaska interests. Prewitt said those included a private prison, halfway house contracts and a new juvenile treatment center.

Halfway houses earned it \$10 million to \$12 million a year, and the juvenile center it wanted so intensely would add another \$6 million, Prewitt testified. Running a large private prison would be even more lucrative.

Bobrick told Prewitt the company paid him \$5,000 a month. He was hired after Anchorage Mayor Mark Begich told Cornell it needed a lobbyist to deal with various city issues concerning the juvenile center.

Bobrick told Prewitt that with Anderson, they'd get "two for one." At the time, McGuire was in the House, chair of that body's Judiciary Committee and dating Anderson, chairman of the Labor Committee.

"So we get two legislators for the price of one?" Prewitt asked.

"Yeah," Bobrick said.

Prewitt told jurors that committee heads and budget writers were particularly valuable.

"You get a bigger bang for your buck if someone has seniority and has influence," he testified.

MCGUIRE LASHES BACK

During a break in the trial today, McGuire said she was outraged at the implication that she would go along with such a scheme.

"It sickens me," McGuire said. "They don't even know me."

McGuire referred to Bobrick, who has pleaded guilty in the corruption investigation, as "an admitted criminal." She said that Prewitt was under investigation himself for suspected illegal activities and that he was cooperating to get himself out of trouble.

"Who cares what they have to say," McGuire said.

There's no evidence that McGuire knew about any deal between Cornell and her husband, prosecutors have said.

In pitching Anderson to Prewitt, Bobrick described him as hungry, aggressive and a rising star. Bobrick also indicated others were trying to use him.

"There's like a struggle for Tom Anderson's soul," Bobrick says in one recording.

In a July 28, 2004, meeting of Anderson, Bobrick and Prewitt at the Whale's Tail in the Hotel Captain Cook, Anderson

adn.com

ANDERSON TRIAL: Find more information on this trial and the FBI investigation online.

adn.com/corruption

seemed torn. He said he wanted to help Cornell, but only "where I am not conflicted as a legislator."

He said he couldn't lobby fellow legislators and wanted to work behind the scenes, more on the municipal end of things.

The recording included video but the picture mainly showed Anderson's hands and part of his shirt.

But even as Anderson said he wanted to draw a line, he asked Prewitt whether there's any conflict with him getting on budget panels for corrections, and health and social services — the very subcommittees that Prewitt said Cornell wanted him on. And when Prewitt asked the legislator if, in a pinch, he could call in allies, Anderson responded "Of course. That's fair."

Prewitt told Anderson that state Rep. Mike Hawker, R-Anchorage and the chairman of those same budget subcommittees, already was working on Cornell issues but couldn't do it single-handedly. Hawker said in an e-mail Thursday that he tried to keep halfway houses open and worked to get a private prison in Whittier because he represents the area and the mayor asked him for help.

'CARRYING OUR WATER'

In various conversations, Bobrick pitches the business he wanted to create, which frequently changed name and form. Maybe it would be a political newsletter. Maybe a Web site. Hawker and Begich might write for it, Bobrick told Prewitt. Cornell would buy ads, but both Anderson and Bobrick knew that's not what it was paying for, Prewitt testified.

In reality, "Rep. Anderson would be carrying our water on issues," Prewitt told jurors.

On Aug. 6, 2004, Bobrick told Prewitt that Anderson needed \$2,000 to \$2,500 a month for child support — an assertion that several of the jurors appeared to jot down. Anderson had three children before marrying McGuire, according to legislative disclosure reports. The couple has a son.

Prewitt's testimony will continue today. Anderson's lawyer still gets his chance to cross-examine him.

Anderson represented East Anchorage in the Legislature from 2003 until January. He didn't run for re-election last year.

His trial is expected to last about two weeks.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Anderson jurors hear FBI tapes

OUTSIDE COURT: The accused's wife, Sen. Lesil McGuire, denies she was part of a 2-for-1.

By **LISA DEMER**
ldemer@adn.com

Jurors hearing the corruption case against former state Rep. Tom Anderson are getting a window into a seamy side of Alaska politics, a world of connections, power and money.

On the stand most of Thursday as prosecutors began calling witnesses in U.S. District Court: former state corrections commissioner and Cornell Cos. consultant Frank Prewitt.

Prewitt, commissioner in the 1990s during the Hickel administration, told jurors that he "was visited by the FBI" in April 2004. The FBI was investigating legislative consulting contracts, campaign contributions and favors exchanged for official acts, Prewitt told jurors. Prosecutors and the defense both earlier told jurors that Prewitt himself was under investigation and began cooperating when the FBI confronted him.

He said he soon began secretly recording conversations with "persons of interest" to the FBI. Prosecutors played snippets of seven of those recordings in court on Thursday.

Prosecutors accuse Anderson of participating in a scheme in which a sham business was created to funnel money to him, purportedly from Cornell, a Houston, Texas, prison company. He is accused of accepting \$12,838 and faces seven felony counts. Cornell actually knew nothing of the scheme, the U.S. Justice Department has said. The FBI gave Prewitt the money.

Listening in the audience were some of Anderson's friends and relatives, including his

Anderson trial

Testimony begins

By Matthew Simon, CBS 11 News Reporter
KTVA

Article Last Updated:06/29/2007 09:53:13 AM AKDT

So, how much was former Representative Tom Anderson in debt and what was said in those secret recordings that we've heard so much about?

Those questions and more got answered Thursday as testimony finally started in Anderson's trial.

Prewitt took the stand Thursday morning, as prosecutors played the conversations he recorded. They started back in the summer of 2004, when Prewitt testified former Muni lobbyist, Bill Bobrick, who has already pled guilty in this case, met with him and plotted to create a fake Web site and use it to funnel payments from the private prison firm, Cornell Company, to Anderson.

As Senator Lesli McGuire walked out of court, she told CBS 11 News that she is outraged that her husband is taking the fall for Prewitt, saying he exploited her husband just to save himself.

Also Thursday, prosecutors tried to establish how Anderson knowingly broke the law when disclosing financial statements with testimony from APOC's executive, Brooke Miles. Miles says the law makes it clear that Anderson had to show he was getting paid from Bobrick and the prison company. The defense countered that by saying the financial forms were confusing and it was an honest mistake.

CBS 11 News will continue to bring you further developing information as we follow the trial.

To contact Matthew, call 907-273-3186.



Close Window

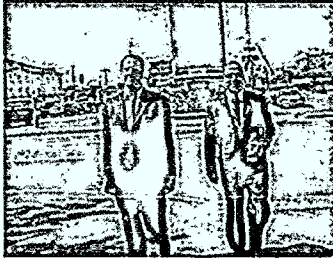
Send To Printer

FBI - Stevens-731

[<<Back](#)



FBI informant testifies in Anderson trial



Jurors heard taped conversations of Tom Anderson with FBI Informant Frank Prewitt and convicted felon Bill Bobrick. (Scott Jensen/KTUU-TV)

by Jill Burke
Thursday, June 28, 2007

ANCHORAGE, Alaska -- The man who secretly recorded meetings and phone calls with former Alaska lawmaker Tom Anderson testified against him today in court.

Formerly a commissioner for the Alaska Department of Corrections, Frank Prewitt explained how he was willing to go undercover for the feds to try and ease his own criminal exposure in unrelated investigations.



Frank Prewitt testified today against Tom Anderson, explaining how he went undercover for the FBI and recorded conversations with and about Tom Anderson. (Scott Jensen/KTUU-TV)

Anderson's wife, Lesil McGuire, says that Frank Prewitt has actually already entered a plea deal. Now that's not something that has been revealed in court. She says his criminal entanglements date back to the early 1990s. In any case, Prewitt is the one who recorded all of the conversations.

Jurors got the chance to hear at least six of the conversations through out the day today. They were conversations taking place during things like breakfasts, lunches, while passing tobacco and drinking coffee.

Prosecutors say it is all evidence of Tom Anderson's corruption.



Jurors heard recordings between Bill Bobrick and Frank Prewitt, discussing Tom Anderson's pull in the Legislature. (KTUU-TV)

A lot has been said about Tom Anderson's alleged abuse of office, selling official acts and working to hide the money.

For the first time jurors got to hear the evidence first-hand.

On the stand, Frank Prewitt, a former lobbyist turned FBI informant, who secretly recorded phone calls and meetings, most between himself and now fallen lobbyist and convicted felon Bill Bobrick.

During a recorded lunch at the Southside Bistro in 2004 Prewitt and Bobrick discussed how a company, Cornell Corporation, needed legislative help pushing a private prison in Whittier and youth residential treatment facility in Anchorage. And they discussed how and why to bring Tom Anderson in.



Tom Anderson's lawyer, Paul Stockler, says Sen. Lesil McGuire, Tom Anderson's wife, should be left out of the trial because she never had contact with

At the time, both Bobrick and Prewitt were working for Cornell and Bobrick, pitching an idea for a Web-based news letter that could also be a platform for shielded pass-through money, asked Prewitt if he thought Cornell would think the idea was weird, sleazy or make the company nervous.

Prewitt repeatedly asks, what, if Cornell buys in, Anderson can do for the company.

FBI - Stevens-732

Frank Prewitt. (Scott Jensen/KTUU-TV)



In one conversation, Bobrick assures Prewitt Anderson has pull, will push their issues, is a rising star and, if he's in, his wife, then girlfriend and House Judiciary Chair Lesli McGuire, was in as well. McGuire called it outrageous today. (KTUU-TV)

Bobrick assures Prewitt Anderson has pull, will push their issues, is a rising star and, if he's in, his wife, then girlfriend and House Judiciary Chair Lesli McGuire, was in as well. It would be two, essentially, for the price of one.

During a lunch break, McGuire, now a senator and married to Anderson, called the comment outrageous and the defense promises the remarks did not go unnoticed.

"I'll make them pay for it when I cross-examine them. He's gonna have to answer some tough questions because he had no contact with her, none, absolutely zero," said Paul Stockler, defense attorney for Tom Anderson.

With four more conversations over the following month, Bobrick and Prewitt continue to hash out the details of the Web business, a business prosecutors say had nothing to do with newspapers or advertising. The only thing clients were buying, they allege, was Tom Anderson's legislative muscle.

During those conversations Bobrick is also heard saying how there is kind of a fight underway for Anderson's soul, saying that there are a variety of interests leaning on him and that he was somewhat undecided.

Today, again, jurors heard six conversations. Five of those were audio, either in person or over the phone. One of them was video that happened at the Whale's Tail restaurant at the Captain Cook Hotel. That involved Tom Anderson, Bill Bobrick and Frank Prewitt. Tom Anderson's face is not seen, but he is seen from the neck down and he can be heard engaging in conversations among the trio.

Other lawmakers names came up as well. Prewitt indicated that Rep. Mike Hawker was certainly aligned with the philosophies and interests of Cornell. There was no direct discussion about any kind of monetary payments, but definitely some hope that he would make it onto a powerful subcommittee that would be in the interest of Cornell.

There was also some reference to former Sen. Jerry Ward, who was trying to win his seat back. Prewitt said if he were to win, that he would "fall on his sword" to protect Cornell's contracts.

Contact Jill Burke at jburke@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-733

[<<Back](#)

The Anderson Trial: Day 6

July 2, 2007 11:03 PM

More from Channel 2's Jill Burke:

Frank Prewitt -- the man who made all of the secret audio and video recordings the government is using -- is done taking the stand. Prewitt is a former State of Alaska Commissioner for the Department of Corrections who went on to build a career as a state lobbyist.

At the time the FBI was gathering evidence for its case against Anderson, Prewitt was a consultant and lobbyist for Cornell Corrections. The Houston-based company operates prisons, halfway houses, and wanted to bring a semi-secure residential psychiatric treatment facility for juvenile offenders to Anchorage. It also had hopes of developing a privately run prison in Whittier.

Prewitt says there were three main issues Cornell was running into to get the projects pushed through: a cost analysis between the prospects of a privately operated prison in Whittier and a state-run facility in the Mat-Su, the ratio of staff to offenders allowed for halfway houses, and a state-driven study to show Anchorage needed a facility for youth offenders like the one Cornell wanted to build -- backed up with a certificate from the state saying the need was real.

In his two days on the stand, Prewitt said Anderson was hired to push all of those issues through, but he didn't want Cornell shown on the state financial disclosures he, as a legislator, is required to make. Tapes of phone calls and meetings between Anderson and Prewitt show Anderson found a way to get around those disclosures: work with a company that doesn't have a registered state lobbyist working on its behalf, and keep individual payments below \$5,000. With the help of Anchorage lobbyist Bill Bobrick, the trio developed a plan to get Anderson on Cornell's payroll undetected.

Anderson's attorney claims the scheme was meant to help Anderson win reelection in 2004. The idea was create a buffer between what Anderson and Bobrick believed to be the true source of the money -- Cornell -- in order to keep voters who support a state-run prison on board with Anderson until after the election.

Bobrick and Anderson created a company called Pacific Publishing. The concept was to develop a web-based newsletter to which Anderson and Bobrick would sell subscriptions. In Cornell's case, the cost was \$24,000 for 8 months, payable in 3 separate \$8,000 installments. Prewitt would pay Pacific Publishing which in turn would pay Anderson. At one point, complaining Bobrick was keeping too much of the money for himself, Anderson took in an additional \$2,000 payment directly.

To help create even further distance between Anderson and Cornell, Prewitt dispersed the checks from a business called RC Consulting -- a fake company name established by the FBI.

Prewitt testified there is no doubt in his mind that the website was a sham, and merely a cover by which to start funneling money to Anderson so that Anderson would start working on Cornell's priorities in Juneau.

Paul Stockler, Anderson's defense attorney, claims Prewitt, with the FBI actively monitoring every move, set up the payments to make Anderson look like he was being bribed. Stockler claims all along Anderson was, within the scope of the law, doing nothing more than working as a consultant whose employer happened to share like-minded philosophies on a few legislative

FBI - Stevens-734

matters.

Monday, Marc Antrim also took the stand. He was asked to resign as Alaska's Commissioner of Corrections in December by Governor Palin. Prosecutors say that -- at Prewitt's urging -- Anderson wrote to, called, and visited Antrim in person regarding various corrections-related matters. Stockler pointed out that other legislators could have done the same thing without anything seeming amiss. The problem in Anderson's case, Stockler reiterated, is that Prewitt, working for the FBI, brought money into the conversation and orchestrated transactions at seemingly pivotal moments.

Antrim also acknowledged that the FBI gave him a heads up Anderson might be contacting him on certain items. Antrim was asked to report back on the interactions, which he did. But in court he also revealed that, like Prewitt, he was working on other investigations with the FBI before Anderson came his way. Antrim said he had previously signed a non-disclosure agreement with the FBI as a result of some ongoing "issues" they were looking into.

Tuesday is Bill Bobrick's turn to take the stand. He describes Anderson as a friend and would-be business partner, a man who thought of him like an older brother, and a moderate Republican who had earned his respect. Bobrick, a registered independent and former Executive Director of Alaska's Democratic Party, is accused in the same scheme in which Anderson maintains his innocence. He pleaded guilty to a single felony in May.

The trial is expected to wrap up by the end of the week, possibly pushing into the week of July 9th since court will not be held the 4th of July.

From me:

It was an entertaining event at the Millennium Hotel when conservative talk radio host Laura Ingraham spoke at an event sponsored by an Anchorage station. I've seen her on television going back many years, notably on Bill Maher's programs, but I found her even fresher and funnier in-person. She threw a quip about the liberal media in my direction, which she went out of the way afterwards to point out was mere teasing (although it had been understood already). Unlike many of her fellow practitioners in the talk radio format, Ingraham has the ability to deliver a punch without seeming petty, arrogant or desperate.

Which is more than one can say about our own Dan Fagan, who, without provocation, took the airwaves soon after to complain about my appearance, my personality and implicitly even my name, which he chose to pronounce with the diminutive 'y' attached. I kind of liken this to French resentment of America after we saved their bacon in World War II. Dan could not have made it through his short stint as Channel 2's Capitol reporter in 2003 without daily assistance from veteran journalists there, including me, while I was working just a few feet away from him for public television. Yet this formerly collegial relationship apparently is now an embarrassment to him.

They used to say that those who can't do, teach. I guess those who can't report, blather.



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-735

Corruption trial witness recounts Internet scam

ANDERSON TRIAL: Legislator did nothing for community site but was paid anyway, ex-lobbyist testifies.

By LISA DEMER
l.demer@adn.com
Published: July 4, 2007
Last Modified: July 4, 2007 at 04:08 AM

On the stand for a second day in federal court Tuesday, former lobbyist Bill Bobrick told jurors that his idea for a political Web site started as a real business venture in 2004 with then-state Rep. Tom Anderson.

Story tools

E-mail a friend
Print
Dig this
Send Newsline
Send link via AIM

Font size: A | A | A

It wasn't supposed to be a way "to bribe Tom Anderson or channel him funds. But it certainly ended up that way," Bobrick testified.

Ultimately, its only real purpose was to disguise payments to Anderson, he told jurors. Anderson never did any real work for the Web site and received the money "for being a legislator," Bobrick said. The Web site never got off the ground.

Prosecutors rested their corruption case against Anderson on Tuesday afternoon after calling eight witnesses over four days. The trial began June 25 with jury selection, which lasted 2 1/2 days.

Prosecutors contend that Bobrick's Web site business was used to funnel payments from a Cornell Cos. consultant to Anderson so that he would do the company's bidding on halfway houses, a juvenile treatment center and a private prison. Anderson faces seven felony counts.

Bobrick has pleaded guilty to conspiracy and said he is cooperating with the government in the hope of getting a lighter sentence.

In all, Anderson received a total of \$25,838, based on testimony about various checks.

That's much more money than was previously disclosed. The charges list \$12,838 in payments to Anderson. The FBI actually provided the money. Cornell was unaware of any scheme, the government has said.

Bobrick, a main witness for the prosecution, appeared drained but calm during hours of testimony and then aggressive cross-examination.

Defense attorney Paul Stockler on Tuesday pushed Bobrick on whether he turned on Anderson to save himself, the same approach he used the day before with the other star witness, Frank Prewitt, a former corrections commissioner who then became a Cornell consultant.

"I lost my career of 20 years. I lost my standing in this community," Bobrick said. And he may go to prison even yet.

"My life is pretty much wrecked because of my stupid, reckless actions," Bobrick said. He said he made \$200,000 a year as a lobbyist before the Anchorage Assembly, but no more.

Bobrick began cooperating with the FBI soon after agents called him in last September, he said. They were in front of his house and came in to play recordings of conversations. Prewitt had secretly made recordings as a "confidential source" for the FBI.

"I realized I had done something wrong and I needed to do the right thing," Bobrick said as prosecutor Joe Bottini questioned him. He said later that he had made "tremendous errors in judgment." When he thought the Web site would be a legitimate business with Anderson, he was "in denial," he said.

He also said he wore a wire, but prosecutors didn't introduce any of those recordings. His agreement with the government requires him to cooperate and "testify truthfully," he said.

Based on how he does, prosecutors may ask U.S. District Court Judge John Sedwick to give him less than the estimated sentence of 24 to 30 months for conspiracy. But the way his life is going, "I fully expect to be hit pretty hard," Bobrick said.

During the investigation, he said, the FBI would "check up on me to make sure I had not killed myself."

THE BOGUS WEB SITE

The idea with the Web site or electronic newsletter was to have stringers all over Alaska writing about their communities, Bobrick told jurors. Companies like Cornell or the developers of the Pebble mine might buy subscriptions or pay to advertise on it. State and federal issues would be aired too. Anderson could give the view from Juneau.

Wasn't it a real project, with Anderson being paid for real work? Stockler asked time and again.

FBI - Stevens-736

"I wanted the Web site to be real," Bobrick said. "... I didn't wake up one day thinking, 'I'm going to bribe Tom Anderson.'"

But Anderson never produced any work, Bobrick said: no stories, no advertising contracts, no invoices, nothing.

Anderson had to have known he was being paid for his influence as a legislator, not for the Web site, Bobrick testified. "At the end of the day, that's all he had," said Bobrick.

Bobrick said he did pay two people to get the project going. A legislative aide to Anderson was paid to research communities as a first step to finding stringers.

And Ken Erickson, now the Web master for the House Republican majority, received \$1,000 as a partial payment to design and build the Web site.

Erickson testified Tuesday that his main contact on the project was Bobrick. But he admitted under questioning by Bottini that Anderson requested a detailed invoice after the fact. In September 2005, he said, he submitted one backdated to Dec. 27, 2004.

He said he designed the site so that people without technical skills could easily submit their stories. But the only story that ever ended up on the site was one written by state Sen. John Cowdery, R-Anchorage, that Erickson said he put on the site just to show it worked. He checked back two or three times a year, but no one had contributed.

"I figured the project was dead or moribund," Erickson said.

Out of 100 or so Web sites that he's designed for people over the years, this is the first one that fizzled after money was invested, though maybe half die during the talking stage, Erickson said.

PUSHING CORNELL'S INTERESTS

Also on Tuesday, prosecutors asked witnesses about Cornell's push to open a residential psychiatric treatment center in Anchorage for emotionally troubled kids.

Bobrick, who was a lobbyist for Cornell on the project, told jurors that he asked Anderson to testify at a Nov. 17, 2004, public hearing about the project.

Anderson signed in on behalf of himself and never acknowledged his financial relationship with Cornell, David Pierce, with the state Department of Health and Social Services, told jurors.

Twice in his testimony that day in 2004, Anderson said he had no connection to the competing groups seeking to open a treatment center. But he said he could endorse Cornell because he had met the administrators and knew how they worked.

The trial resumes Thursday. The defense gets its chance to call witnesses.

Find Lisa Demer online at adn.com/contact/lidemer or call 257-4390.

Anderson trial at a glance

THE DEFENDANT: Tom Anderson, 39, represented East Anchorage in the state House from 2003 until this year. He did not run in 2006.

THE CHARGES: Three counts of money laundering, two of extortion and one each of bribery and conspiracy.

THE CONSPIRACY: Federal prosecutors say Anderson participated in a scheme in which he agreed to do the bidding of the private prison firm Cornell Cos. in exchange for money.

THE CO-CONSPIRATOR: Lobbyist Bill Bobrick pleaded guilty in May to a single count of conspiracy. He set up a company reportedly to produce a political Web site for which Anderson would write. Prosecutors say it became a sham used to funnel payments to Anderson.

THE TRIAL SO FAR: The trial began June 25 with jury selection. The prosecution rested its case Tuesday after calling eight witnesses over four days. Main government witnesses: Bobrick and Frank Prewitt, Alaska corrections commissioner in the 1990s and then a Cornell consultant. Working undercover for the FBI, Prewitt made about a dozen audio and video recordings involving Bobrick, Anderson or both. He testified that Anderson knew he was being paid to do what Cornell wanted.

THE DEFENSE: Defense lawyer Paul Stockler spent hours cross-examining Bobrick and Prewitt. His defense appears to be that the FBI entrapped Anderson, the government witnesses are just trying to save themselves, and the actions Anderson took for Cornell were the kinds of things that legislators do. He portrays Anderson as an eager-to-please legislator who wasn't the one who kept talking about money.

FBI - Stevens-737

1

FBI -- Stevens 5-3838

[<<Back](#)



The Anderson trial: The week in review

July 2, 2007 09:10 AM

From Jill Burke:

OFTEN, WE LOOK TO TRIALS TO HELP REVEAL MORE ABOUT A SITUATION THAN IS ALREADY KNOWN. BUT THE CORRUPTION TRIAL AGAINST TOM ANDERSON IS GIVING GENESIS TO MORE QUESTIONS THAN ANSWERS.

FOR EXAMPLE, WHY -- IF THE GOVERNMENT'S KEY WITNESS, FRANK PREWITT, IS TELLING THE TRUTH -- DID TOM ANDERSON, AWARE ANOTHER LEGISLATOR WAS UNDER INVESTIGATION FOR MISDEEDS RELATED TO PRIVATE CONTRACTS - GO AHEAD AND THEN NEGOTIATE A SIDE DEAL THAT MIGHT BE PERCEIVED AS LESS THAN ABOVE-BOARD?

WHY, ANDERSON'S ATTORNEY ASKED JURORS TO CONSIDER, IF THE DEAL REALLY WAS ILLEGAL, DID ANDERSON ACCEPT CHECKS (WHICH LEFT A PAPER TRAIL) INSTEAD OF INSISTING ON CASH?

WHY WOULD ANDERSON'S ACCUSED CO-CONSPIRATOR, ANCHORAGE LOBBYIST BILL BOBRICK, PLEAD GUILTY IF THE CHARGES AGAINST THE MEN AREN'T TRUE? DEFENSE ATTORNEYS WILL TELL YOU DEFENDANTS GIVE IN FOR A NUMBER OF REASONS, INCLUDING THE POSSIBILITY OF BEING SLAPPED FOR OTHER, MORE SERIOUS CRIMES WHICH MAY BE ENTIRELY UNRELATED TO THE MATTER AT HAND. BETTER TO COOPERATE NOW AND GAIN FAVOR, THAN TO RISK THE IRE OF PROSECUTORS AT SENTENCING.

MEANWHILE, THERE ARE ALSO NUMEROUS HINTS THAT THERE IS A MUCH BIGGER SITUATION FACING THE STATE THAN THE MESS ANDERSON IS IN AND WHETHER THE GOVERNMENT CAN PROVE ITS CASE AGAINST HIM.

PREWITT SAYS HE SPENT UP TO 15 HOURS EACH WEEK FOR 2-1/2 YEARS WORKING ON BEHALF OF THE GOVERNMENT AS AN INFORMANT. HE SAYS AT THE REQUEST OF THE FBI HE WAS ACTIVELY WORKING ON INVESTIGATIONS AGAINST 6 TO 8 OTHER PEOPLE, ALL RELATED TO PUBLIC CORRUPTION, BEFORE ANDERSON EVER PIQUED THE INTEREST OF THE FBI.

DOCUMENTS NEWLY FILED BY PROSECUTORS REVEAL PREWITT WAS THE SUBJECT OF AN ACTIVE INVESTIGATION FOR AT LEAST THREE WEEKS IN APRIL OF 2004 BEFORE HE STARTED WORK ON BEHALF OF THE GOVERNMENT -- CHANGING HIS ROLE FROM THE SUBJECT OF AT LEAST ONE INVESTIGATION, TO SOMEONE WHO WAS WILLING TO GO TO GREAT LENGTHS TO LEND A HAND.

PROSECUTORS ARE TRYING TO MAKE SURE JURORS DON'T HEAR A THREE-WAY PHONE CALL BETWEEN ANDERSON, BOBRICK AND PREWITT, MADE BEFORE PREWITT STARTED COOPERATION. THE CALL WAS PLACED APRIL 18, 2004 AND INTERCEPTED BY INVESTIGATORS. PROSECUTORS SAY IT IS THE RESULT OF A COURT-GRANTED WIRE TAP -- MEANING THE GOVERNMENT WAS LISTENING IN AND RECORDING UNBEKNOWNST TO PREWITT AT THE TIME. SOMETIME THEREAFTER THE GOVERNMENT STOPPED INTERCEPTING PREWITT'S CALLS BECAUSE PREWITT, MOTIVATED TO COOPERATE, AGREED TO RECORD CALLS HIMSELF. THE DEFENSE WANTS JURORS TO HEAR THE CALL BECAUSE IT CLAIMS THE APRIL 18TH RECORDING -- THE SUBSTANCE OF WHICH WE KNOW LITTLE ABOUT -- HELPS ANDERSON'S CASE.

LISA DEMER OF THE ANCHORAGE DAILY NEWS CAUGHT ANOTHER REVELATION AT THE END OF

FBI - Stevens-739

THE DAY FRIDAY: PREWITT, WHILE ON THE STAND, CLAIMED ANDERSON, TOO, WORE A WIRE. BUT WHY, OR WHEN, HAS YET TO BE DISCLOSED.

ALL OF THE EMERGING DETAILS ARE LIKE FLEETING SPECKS OF LIGHT IN A DARK, LARGE CLOSET THAT STORES THE BEHIND-THE-SCENES HAPPENINGS OF ALASKA POLITICS. IT IS WHERE PUBLIC IMAGE CRAFTED TO SATISFY VOTERS MAY BE FAR DIFFERENT THAN A POLITICIAN'S QUIET, SHIELDED ALLEGIANCE TO DEEPER-POCKETED AND SOMETIMES CONTRARY INTERESTS.

AN EXAMPLE? TOM ANDERSON'S PLEDGE TO ADVOCATE FOR A PUBLICLY RUN PRISON TO SATISFY UNION WORKERS, WHILE BEHIND THE SCENES PLEDGING CORNELL COMPANY HE WOULD PUSH FOR A PRIVATELY OPERATED PRISON. THE FEAR AND HASSLE OF DRAWING VOTER BACKLASH IS JUST ONE REASON ANDERSON'S ATTORNEY TOLD JURORS ANDERSON WANTED TO CONCEAL -- HE CLAIMS, LAWFULLY -- HIS RELATIONSHIP WITH PREWITT AND CORNELL.

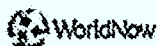
ANDERSON IS THE FIRST OF 4 INDICTED CURRENT OR FORMER LAWMAKERS TO GO TO TRIAL. HIS CASE IS SAID TO BE UNRELATED TO THE OTHERS LINKED TO THE RECENTLY RESIGNED OIL-SERVICES EXECUTIVES BILL ALLEN AND RICK SMITH, FORMERLY OF VECO. IN SOME OF PREWITT'S SECRETLY MADE RECORDINGS, ANDERSON CAN BE HEARD COMPLAINING THAT HIS \$2,500 CONSULTING SALARY FOR VECO -- IN PLACE DUE TO RICK SMITH -- WILL COME TO A HALT IN DECEMBER 2004. MONEY FOR THE GAP BETWEEN DECEMBER AND FEBRUARY IS IN PART, ANDERSON EXPLAINS, WHY HE SOUGHT ADDITIONAL OUTSIDE WORK WITH CORNELL COMPANY.

SO FAR THERE IS NO CONFIRMED LINK BETWEEN THE VECO BRIBERY SCHEMES AND ANDERSON'S SITUATION WITH CORNELL, PREWITT AND BOBRICK. BUT WE NOW KNOW PREWITT WAS WORKING ON OTHER CASES, YET HIS NAME HASN'T COME UP IN FILINGS ASSOCIATED WITH ALLEN, SMITH, WEYHRAUCH, KOTT OR KOHRING'S COURT RECORDS. AND ANDERSON -- WHO PREWITT CLAIMS ALSO WORE A WIRE -- ISN'T MENTIONED IN ANY OF THOSE CASES, EITHER.

ARE THEIR ROLES IN THOSE OTHER INVESTIGATIONS BEING SHIELDED? ARE MORE POLITICANS OR PRIVATE INTERESTS, PERHAPS IN SCHEMES YET TO BE REVEALED, HEADED FOR AN ENCOUNTER IN FEDERAL COURT?

JUST HOW DARK AND DEEP IS THAT CLOSET, AND WILL ENOUGH LIGHT GET IN TO EXPOSE THE FULL CONTENTS?

IT'S TIME TO START ASKING A LOT OF QUESTIONS.



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-740

[<<Back](#)



Defense rests its case in Anderson trial

by Bill McAllister
Thursday, July 5, 2007

ANCHORAGE, Alaska -- The defense rested its case today in the trial of Tom Anderson without calling the former Alaska legislator to the stand.

Anderson's attorney says his client is guilty of nothing more than seeking outside consulting work while serving in the state House of Representatives.

A jury could begin deliberations on Anderson's public corruption case as soon as tomorrow afternoon.

After closing arguments tomorrow, the jury will decide if Anderson is guilty of any of seven felony counts or whether the government failed to prove its case that he sold his vote on corrections-related matters.

Defense attorney Paul Stockler says the federal government acted dishonestly two years ago when it first sought to alert then Rep. Tom Anderson that he was under investigation for bribery, extortion and money laundering.

According to the defense, Anderson's first contact with the FBI came on a voice mail message on June 13, 2005, which Anderson says he transcribed.

According to Anderson, a man identifying himself as Bart Bodett left the message, which said in part, "it's about a federal appointee, and we're looking for your input on the matter. And also because of your fantastic stance before in the past of being such a friend of peace officers and law enforcement, our SAC" -- meaning special agent in charge -- "would like to meet with you, as well."

Instead, Stockler says that when Anderson showed up the next day at FBI headquarters in downtown Anchorage, he was shown giant photos of himself and was played audio of himself conferring with government informant Frank Prewitt and Anderson's alleged co-conspirator, Bill Bobrick, who already has pled guilty to bribing the lawmaker.

Anderson is accused of conspiring with Bobrick to set up a sham business for a political website that was never created, with Anderson allegedly taking more than \$25,000 in FBI sting money that he and Bobrick thought came from a private prison firm.

Stockler says work on the website did not proceed after June 14, 2005 because FBI Special Agent Mary Beth Kepner ordered Anderson to drop it.

Called by Stockler to testify, Kepner said Anderson was free to do whatever he wanted with the website, testimony that Stockler strongly contradicted in talking with reporters later.

Stockler says the government has produced no evidence that Anderson agreed to a conspiracy on a specific date and he says Anderson never linked the money he was getting to any actions he was performing on behalf of the corrections company.

U.S. District Judge John Sedwick did not allow testimony that the defense says would have

FBI - Stevens-741

established that Anderson was talking to people about his plans for the website, thereby demonstrating its validity. The judge said he would not allow Anderson, in effect, to testify through others.

Despite that setback, Stockler says he's confident of winning the case.

On the stand today, state Rep. Bob Roses, who succeeded Anderson in the House, apparently was starting to relay a discussion he had with Anderson about the website, when the prosecution objected and the judge sustained the objection.

The judge did make another significant rulings. He barred testimony by Paul Fuhs, a former state commissioner, who the defense says would have testified that Anderson told him at a 2004 public meeting on corrections issues that he was appearing there on Bobrick's behalf, thus countering the notion that Anderson was trying to hide the relationship because it was criminal.

The defense also wanted to play more of the covert recordings made by the government, saying in some cases that it would speak to bias against Anderson. Judge Sedwick disallowed that, saying the government is not on trial, but Stockler said as far as he's concerned, it is.

Contact Bill McAllister at bmcallister@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-742



Department of Justice

FOR IMMEDIATE RELEASE CRM

MONDAY, JULY 9, 2007 (202) 514-2008

WWW.USDOJ.GOV TDD (202) 514-1888

FORMER ALASKA STATE REPRESENTATIVE THOMAS ANDERSON

CONVICTED OF EXTORTION, CONSPIRACY, BRIBERY AND MONEY
LAUNDERING

WASHINGTON — Thomas T. Anderson, a former elected member of the Alaska state House of Representatives, has been convicted by a federal jury in Alaska of extortion, conspiracy, bribery and money laundering, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The jury in Anchorage convicted Anderson today of all seven counts charged in a December 2006 indictment. The jury found that Anderson solicited and received money from an FBI confidential source in exchange for Anderson's agreement to perform official acts to further a business interest represented by the confidential source.

Evidence at trial showed that from July 2004 to March 2005, Anderson and lobbyist William B. Bobrick solicited and received \$24,000 in payments in exchange for Anderson's agreement to take official action as a member of the Alaska State Legislature. Anderson solicited and received an extra \$2,000 from the source, in addition to the \$24,000. Anderson and Bobrick participated in the creation of a sham corporation — Pacific Publications — to conceal the existence and true origin of the payments, and used the sham corporation to funnel a portion of the bribes to Anderson.

Bobrick pleaded guilty in federal court in Anchorage in May 2007 to conspiring to obtain bribe payments for Anderson.

"Former Representative Tom Anderson corrupted his elected office when he took official actions in exchange for bribery payments. His illegal conduct impaired the integrity of the oath he took to represent citizens of the state of Alaska," said Assistant Attorney General Fisher. "Anderson has been held accountable for his crimes thanks to the hard work of federal prosecutors and FBI agents, and the Department of Justice will continue its pursuit of public corruption at all levels of government."

FBI - Stevens-743

194A-AV-13620-M;374₂

"The conviction of former Alaskan Representative Anderson illustrates the FBI's commitment to investigating officials that misuse their public office for personal gain," said Assistant Director Kenneth W. Kaiser, FBI Criminal Investigative Division. "The public deserves fair and honest representation and the FBI will not relent in its pursuit of corrupt public officials."

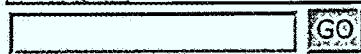
Sentencing for Anderson has been scheduled for Oct. 2, 2007. Anderson faces a maximum penalty of 20 years in prison and a \$250,000 fine on each of two extortion counts and each of three money laundering counts; a maximum penalty of 10 years in prison and a \$250,000 fine on the bribery count; and a maximum penalty of five years in prison and a \$250,000 fine on the conspiracy count.

The Anderson case was prosecuted by Trial Attorneys Nicholas A. Marsh and Edward P. Sullivan of the Public Integrity Section, headed by Section Chief William M. Welch II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case is being investigated by special agents of the FBI.

###

07-489

FBI - Stevens-744



Breaking News: Federal Jury Convicts Former Alaska Lawmaker...

[Intranet](#) [Directory](#)

NEWS

[Announcements](#)

[Breaking News](#)

[Congressional Testimony](#)

[Fugitives/Terrorists](#)

[Law Enforcement Bulletin](#)

[News Briefing](#)

[Press Releases](#)

[Security/Crisis Information](#)

[SIOC Morning Report](#)

[SIOC Sentinel](#)

ORGANIZATION

[About Us](#)

[Field Offices](#)

[Headquarters](#)

[Legats](#)

TOPIC AREAS

[Information Technology](#)

[Intelligence](#)

RESOURCES

[Applications and Outages](#)

[FBI Reserve Service](#)

[Program Information](#)

[Forms](#)

[Library](#)

[Memoranda](#)

[Policy](#)

[Tools](#)

[Training](#)

EMPLOYEE MATTERS

[Benefits](#)

[Career Assistance](#)

[Committees](#)

[Jobs](#)

[Notices](#)

[Programs](#)

[Travel](#)

MAJOR CASES/PROJECTS

[UNet/Blackberry](#)

[PKI Program](#)

[Sentinel](#)

Federal Jury Convicts Former Alaska Lawmaker In Bribery Trial

Associated Press

00:12:01

By Dan Joling

July 10, 2007

ANCHORAGE, AK -- A former Alaska lawmaker was convicted Monday of taking thousands of dollars from a corrections company consultant in exchange for his help in the Legislature.

"I'm devastated," former state Rep. Tom Anderson said after the federal jury announced its bribery verdict. Anderson, 39, was accused of conspiring to take money he thought was coming from a private prison firm, Cornell Industries Inc. The money was supplied by the FBI through an informant working for Cornell who secretly recorded his conversations with Anderson and a coconspirator, former municipal lobbyist Bill Bobrick. Anderson was one of four current or former state lawmakers facing federal bribery indictments. The other three face trial this fall for charges related to Anchorage-based oil field services company VECO Corp.

"I think the prosecution has criminalized being a legislator over the last year," Anderson said. "I think I fell victim to that." Minutes after Anderson's conviction, Gov. Sarah Palin signed into law an ethics reform package for state officials was signed into law. Palin said the law will help re-establish the public's trust, noting Anderson's case revealed a broader problem with public officials. "I believe it could be a precursor for what's to come, and it's unfortunate," she said. Anderson's family, including his wife, state Sen. Lesil McGuire, were not present for the verdict.

Anderson said they couldn't get to the downtown Anchorage courthouse in time after it was announced the jury had reached a verdict. Judge John Sedwick ordered Anderson to surrender his passport and scheduled sentencing for Oct. 2. Anderson was arrested Dec. 7 and charged with seven felonies, including conspiracy, bribery, money laundering and interfering with commerce, a charge connected to a demand for payments. He faces a maximum penalty of 115 years in prison and a \$1.75 million fine. Department of Justice officials in Washington said Anderson was held accountable for his crimes.

Anderson "corrupted his elected office when he took official actions in exchange for bribery payments," Assistant Attorney General Alice S. Fisher said. "His illegal conduct impaired the integrity of the oath he took to represent citizens of the state of Alaska." Bobrick pleaded guilty in May to bribing Anderson. He agreed to testify against Anderson in exchange for prosecutors' request for lenience at sentencing. Anderson was accused of accepting nearly

FBI - Stevens-745

194A-AN-13620-M375

\$26,000 he thought was coming from Cornell through Frank Prewitt, a former corrections department commissioner and an FBI informant was a \$150,000-per-year consultant for Cornell.

The Houston-based company operated halfway houses in Alaska and hoped to build a private prison and a juvenile psychiatric treatment center in Alaska. The defense argued that Anderson backed Cornell without being on the take and that Prewitt wore a wire to bag a legislator and deflect investigators from his legal problems. Prosecutors contend Bobrick and Anderson trolled for cash in conversations with Prewitt, using a phony Web-based newsletter as a front for Cornell to funnel payments to Anderson. Anderson, finishing his first term as a Republican legislator from east Anchorage, was strapped for cash, prosecutors said, as he romanced McGuire, who was then a state representative. He owed child support payments and was looking for a payoff of about \$3,000 per month when the Legislature was not in session.

Attachments:

[Link to press release](#)



[Printer-friendly version](#)

Created at 7/10/2007 7:27 AM by FBINET [redacted]
Last modified at 7/10/2007 8:53 AM by FBINET [redacted]

b6
b7C

[USER TIPS](#) [LEGAL NOTICE](#)

FBI - Stevens-746

1 of 100 DOCUMENTS

Copyright 2007 Roll Call, Inc.
Roll Call

July 10, 2007 Tuesday

LENGTH: 2556 words

HEADLINE: Government Good To Stevens' Friends

BYLINE: John Stanton, ROLL CALL STAFF

BODY:

In 2004, two business partners of Sen. Ted Stevens (R-Alaska) sold an empty lot in Anchorage to the National Archives and Records Administration for just over \$3.5 million, more than doubling their year-old investment in the property.

Stevens earmarked the appropriation for NARA to purchase a site, although there is no indication he received any direct benefit from the deal and his spokesman said the Senator had nothing to do with the selection of the specific property.

But the project is one of several valuable contracts that the developers, Leonard Hyde and Jonathan Rubini, entered into with federal agencies while Stevens was either the ranking member or chairman of the Senate Appropriations Committee - and had significant investments in several Rubini/Hyde companies.

Stevens' investments with the two real estate magnates over a seven-year period turned him from one of the Senate's least wealthy Members into a millionaire, according to his financial records and statements by Stevens over the years.

That relationship has prompted questions from watchdogs who say, at the least, it raises the potential for an appearance of a conflict of interest.

"It absolutely raises flags when you have a Member having a business relationship with someone who may benefit from the Member's official actions," even in an indirect way, said Bill Allison, a senior fellow at the Sunlight Foundation, a watchdog group that pushes for greater disclosure by lawmakers. "The way [disclosure is] being handled now is just completely inadequate," Allison added.

Allison and other watchdogs argue the lack of adequate disclosure rules in the Senate makes it extremely difficult for the public to make an informed judgment on whether Stevens, for example, is acting appropriately, and they have called for more stringent rules.

Stevens' relationship with the two men is rare for a Senate appropriator.

Of the 19 Senate Appropriations Committee members whose offices responded to requests for comment, out of 29 on the committee, Stevens was one of only two members who disclosed a direct business relationship between themselves or their spouses and an entity that receives federal funds - and was the only member of the powerful committee who has such a relationship himself.

The vast majority of the lawmakers said they either never had business dealings with companies that receive federal funding or broke their ties with business entities before entering the Senate.

For instance, "Sen. [Lamar] Alexander [R-Tenn.] resigned from all boards and commissions on which he served when he was elected to the U.S. Senate," Alexander spokesman Lee Pitts said.

FBI - Stevens-747

194A-AN-13620-M;376

Government Good To Stevens' Friends Roll Call July 10, 2007 Tuesday

Aside from Stevens, Sen. Dianne Feinstein (D-Calif.) is the only panel member who responded who disclosed such a relationship. According to Feinstein aide Scott Gerber, Feinstein's husband, Richard Blum, works for a defense contractor. Gerber, however, noted that the company has never received a specific earmark from Congress.

Unlike Stevens, Feinstein was wealthy well before entering the Senate.

A Profitable Relationship

According to published reports, Stevens' relationship with the two real estate magnates dates back to 1997, when at the urging of his brother-in-law, lobbyist Bill Bittner, Stevens invested \$50,000 with Hyde and Rubini in a new venture dubbed JLS Properties LLC.

Although he had a relatively modest 7 percent stake in the company, the investment would prove propitious to Stevens, who at the time was one of the few dozen or so Senators who did not count his personal wealth in the millions. According to a Dec. 17, 2003, Los Angeles Times article, by 2000 Stevens' stake in JLS Properties had grown in value to some \$250,000, and Stevens invested in several other of Hyde and Rubini's land projects, including their Centerpoint development project in Anchorage. By 2003, according to his financial records, Stevens' investments with the two had turned him into a millionaire.

In addition to the land deals, Stevens and Hyde also are co-owners of a racehorse through Alaska's Great Eagle LLC; a company that includes many of Alaska's most powerful businessmen, including Ed Rasmussen and former VECO executive Bill Allen.

Allen earlier this year pleaded guilty to four counts of conspiracy, bribery and other corruption charges stemming from the FBI's inquiry into state lawmakers, including Stevens' son, Ben Stevens.

The majority of federal funding that has made its way to Hyde and Rubini does not appear to be the result of either an earmark or direct involvement in the contract process by Stevens.

For instance, according to the most recent federal payment records compiled by

FedSpending.org, from the beginning of 2005 to July 2006 the General Services Administration paid Centerpoint Financial Center LLC - one of Hyde and Rubini's companies - \$936,586 for office space leased to the Department of Interior. The offices are in the Centerpoint building - built on land that Stevens had invested in, although the lawmaker appears to have divested his interest in the property at the end of 2004, according to his financial statements. He also sold his stake in JLS Properties that year.

Similarly, starting in fiscal 2003, Hyde and Rubini have had a long-term lease agreement with the National Park Service for its new office building in Anchorage. Operating through their 5th Avenue Development LLC company, Hyde and Rubini have received more than \$7 million in rental payments from the federal government.

Hyde and Rubini also have leased an apartment to the Department of Interior, although those payments appear to total less than \$10,000.

In several instances, Stevens has been directly involved in projects that ultimately have ended up benefiting his business partners. In the 2003 Los Angeles Times story, Stevens acknowledged lobbying the Air Force to award a multimillion-dollar housing contract to Hyde and Rubini.

The Archives Project

Stevens, in that same period of time, was taking a lead role in setting aside funding for a NARA facility expansion project in Anchorage that would eventually net his partners millions in federal funds.

According to a review of federal, state and local records and interviews with Hyde and federal officials, the project in Anchorage resulted in the two developers netting \$2 million in profits from the sale of land they had purchased weeks before Stevens inserted the first earmark into an appropriations bill in 2002.

The money for the purchase, according to Stevens' office, came from two earmarks worth \$6 million that Stevens had included in funding bills in 2002 and 2003.

NARA's 2004 decision to purchase the land from Eagle River Center LLC, a company owned by Rubini and Hyde, was the high-water mark of federal spending on the new archives project.

Government Good To Stevens' Friends Roll Call July 10, 2007 Tuesday

NARA officials began the process of securing a new facility for documents in Alaska in 1998, making the project one of their top priorities, according to federal officials.

That same year, Stevens - who at the time was chairman of the Appropriations Committee - and local officials began working on what city officials dubbed the "Midtown Commons" project, which was a redevelopment plan for a largely unused area of Anchorage.

As part of that plan, officials proposed having the federal government purchase a piece of undeveloped land owned by a group of retired schoolteachers through their company, the 40th Street Investors, for use as the new archives facility. The spot made some sense: It was an undeveloped area that could be bought as opposed to leased and was located near a public library that serves as an archival facility for many historical documents.

To begin the process of securing land for a new facility, Stevens set aside \$875,000 for a site selection study and in 1999 he set aside another \$900,000 for additional studies, according to Rick Judson, who oversaw the project for NARA.

But despite NARA's stated need for expanded space and local support for the selection of the site, neither NARA nor Stevens' office ever contacted the 40th Street Investors or their real estate agent, according to a source involved in the issue at the time who asked not to be identified. Congressional interest in the project appears to have dropped off almost completely for the next few years until around the time Stevens' business partners agreed to purchase the property in 2002.

On May 21, 2002, Hyde, Rubini and the 40th Street Investors entered into an "Agreement to Purchase" the site, according to a timeline of the purchase that Hyde provided to Roll Call. On June 19 of that year, Hyde and Rubini formally incorporated Eagle River Center LLC and transferred interest in the agreement to that company.

On July 11, 2002, the Senate Appropriations Subcommittee on Treasury and General Government passed by voice vote a fiscal 2003 spending measure that included a \$3.75 million earmark for NARA to purchase property for a new facility in Anchorage.

In 2003, at the urging of NARA staff who indicated additional funding would be needed, Stevens inserted in the fiscal 2004 Treasury spending bill an additional \$2.25 million.

At the beginning of May 2003, the GSA released a request for bids, which according to Hyde's timeline Eagle River Center responded to on May 5, despite the fact they would not formally close on the property with the 40th Street Investors until June. Then, on June 2, 2003, according to state land records, Eagle River closed on the properties, paying the retired teachers some \$1.5 million for the 8-acre parcel.

On Jan. 21, 2004, the GSA informed Eagle River that it had selected its property for the new NARA location, and negotiations on the final price began.

By March 1 of that year, Hyde and Rubini had entered into an agreement with the GSA to sell the property to the federal government for \$3.5 million on June 8, 2004 - putting the closing on the sale just past the one-year trigger date for avoiding what would have been a significant capital gains tax hit.

Aaron Saunders, a spokesman for Stevens, said that while the veteran lawmaker was involved in the NARA project and has supported it for years, he had no role in the site selection process and never spoke with either Hyde or Rubini about the deal.

According to Saunders, the only site Stevens had backed - a parcel of land located just off the University of Alaska's campus - was rejected by federal officials for security reasons very early in the process and the selection process involved state, local and federal officials and was the result of a competitive bid process. "It is factually inaccurate to state National Archives officials selected the final facility site based on a recommendation by Sen. Stevens because this conclusion ignores the arduous process by which the site was selected," Saunders said.

Saunders said that while Stevens also had initially worked with local officials on the Midtown Commons project, the reason funding dried up from 1999 to 2002 had nothing to do with who owned the property. Rather, according to Saunders, Stevens from the beginning had decided to take a largely hands-off approach to the deal and only appropriated money when NARA staff requested it. In 2002, NARA aides came to the Appropriations Committee and requested funding, Saunders said, adding that Stevens was "just responding to appropriations requests."

Saunders also said Stevens never talked about the project with Hyde or Rubini. "Sen. Stevens and his staff never, at any point, discussed the proposed National Archives' land acquisition with Mr. Rubini, Mr. Hyde or anyone representing them," he said.

Hyde also indicated neither he nor Rubini at any point called on their business partner Stevens to assist them in the purchase.

"I've never spoken to Senator Stevens about this issue," Hyde wrote in an e-mail.

Funding Lags for Project

Since the land deal was finished, federal funding has slowed significantly for the project. Despite a price tag of at least \$29 million in construction costs, Stevens appears to have taken only modest interest in securing funding for the project since the land transfer. Stevens set aside \$3 million in 2005 for site preparation, while the archives earmark diminished to just \$1.9 million last year.

However, according to a May 11, 2007, Anchorage Daily News story, \$290,000 tagged for the construction has been reprogrammed for a new speed-skating-rink project being planned next to the NARA land. Stevens also secured a \$940,000 earmark specifically for the skating rink in 2004, according to the story.

NARA's Judson said that while plans for the new building are complete - and that NARA has a standing contract with a non-Alaskan contractor to construct its facilities - the project has fallen behind schedule, largely because of a lack of funding, and he said it was unclear why further money has not been forthcoming. "We haven't seemed to be able to get in the queue for money," Judson said.

Saunders said that while Stevens supports the project, it is unclear whether any future funding will be earmarked for the construction of the archives building. "While it is safe to say that Sen. Stevens continues to support this project, he and his staff will consider future National Archives funding requests on a case-by-case basis," Saunders said.

Watchdogs argue that regardless of whether Stevens took any inappropriate actions on behalf of his business partners, his relationship with them highlights the need for significant revisions to Senate financial disclosure rules.

Last month, Taxpayers for Common Sense and the National Law and Policy Center proposed a series of ethics rule reforms that in part address the question of lawmakers' business relationships. The watchdog groups argue that Members should be required to provide the public with greater information on their business dealings, including detailing whom they enter into business relationships with. In a letter to Senate Majority Leader Harry Reid (D-Nev.), Senate Minority Leader Mitch McConnell (R-Ky.), Speaker Nancy Pelosi (D-Calif.) and House Minority Leader John Boehner (R-Ohio), the groups argue that "While current rules call for disclosure of assets of the lawmaker, there is no requirement that co-ownership of closely held investments be disclosed. There have been numerous examples in which special interests have carried improper favors with elected officials by including the official in a purported investment. In these cases, the officeholder typically receives an extraordinary return on investment with little or no risk."

"There ought to be complete transparency of these types of relationships," the Sunlight Foundation's Allison said, arguing that lawmakers should be required to disclose the names of their business partners in addition to simply disclosing their investments. While "you're always going to have situations where Members have a vested interest in things they're doing" in the Senate, greater disclosure would help limit the appearance of wrongdoing, Allison argued.

Allison also said a second step should be a more robust - and fully transparent - recusal process. "I think Members should recuse themselves from more things than they do," Allison said, arguing that the Senate should drop the secrecy that now veils the process.

FBI - Stevens-750

"All these arrangements should be open," he said.

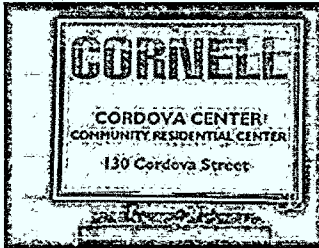
Emma DuMain and Bryce Bauer contributed to this report.

LOAD-DATE: July 10, 2007

[<<Back](#)



Corrections company says lobbyist acted on his own



by Jill Burke
Tuesday, July 10, 2007

ANCHORAGE, Alaska -- Cornell Cos., whose lobbyist became the federal government's chief witness in the corruption case against former Anchorage Rep. Tom Anderson, wants it known it had nothing to do with the bribery scheme.

Cornell Cos., whose lobbyist became the federal government's chief witness in the corruption case against former Anchorage Rep. Tom Anderson, wants it known it had nothing to do with the bribery scheme. (KTUU-TV)

The Texas-based corrections company runs five halfway houses across the state. It hired lobbyist Frank Prewitt to help advance its interest in those and other areas, including developing a privately run prison in Alaska and a juvenile treatment facility in Anchorage.



Lobbyist Frank Prewitt worked for Cornell. (KTUU-TV)

Cornell says while Prewitt may have told now-convicted co-conspirators Bill Bobrick and Anderson that the bribe money he had to offer was coming from Cornell, in reality, the company says they had no knowledge of what was going on.

The company also claims it had no idea Prewitt was an FBI informant.

However, Prewitt did admit under oath that he had been implicated but not yet charged in an illegal contribution scheme involving a Cornell Cos. executive in 2003.



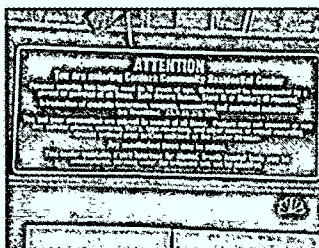
Cornell says it was unaware Prewitt was working as an FBI informant. (KTUU-TV)

Prewitt testified he helped funnel \$3,000 from that executive to an Alaska politician that same year.

The FBI has acknowledged the money Prewitt used in the bribe scheme involving Anderson came from them and not Cornell.

Cornell Cos. Consultant Charles Seigel said the company does not support bribery.

"Cornell would never have authorized any kind of inappropriate activity, like greasing the wheels, corruption, bribery, side view anything like that," Seigel said.



Cornell has not been implicated in the bribery scheme. (KTUU-TV)

In a written press release, the Department of Justice said Cornell was never told about the operation because of the investigation's undercover nature.

FBI - Stevens-751

Cornell has not been implicated in the scheme.

Contact Jill Burke at jburke@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

[<<Back](#)

Anderson's attorney discusses trial



by Jill Burke
Tuesday, July 10, 2007

ANCHORAGE, Alaska -- Paul Stockler, the lawyer who represented former Rep. Tom Anderson in his federal corruption trial, said a loss like yesterday's is not something a client or an attorney gets over quickly.

Paul Stockler, the lawyer who represented former Rep. Tom Anderson in his federal corruption trial, said a loss like yesterday's is not something a client or an attorney gets over quickly. (KTUU-TV)

Stockler said he believed they had a good chance of winning at least some of the counts, especially the conspiracy charge.

Stockler said he had prepared Anderson that if a guilty verdict came in on that charge, the first count in the indictment, it would be a bad omen for the rest to come.



It was sound advice.

"My biggest fear going in was the tapes - I thought this case was 90 percent about the tapes and how the jury perceived those conversations and those videos. And if they saw them our way, were going to win. And if they didn't see them our way, we were going to lose," Stocker said.

Stockler said he believed they had a good chance of winning at least some of the counts, especially the conspiracy charge. (Mike Nederbrock/KTUU-TV)

On the day the verdicts came in, jurors had asked to re-hear the very first meeting between Anderson, his co-conspirator, and the government informant.



According to Stockler, it was the first time the trio discussed the Web site idea, finances and what kind of things Anderson could do to help if hired as a consultant.

The corruption case centered on the government's assertion that the Web site was bogus and that the so-called consulting contract was just a ruse to hide a bribery scheme.

Recordings taken by Frank Prewitt (pictured) were especially damaging, Stocker said. (KTUU-TV)

In that July 2004 conversation, Anderson tells Frank Prewitt, when asked, what he can do for them.



Stockler maintains there are conversations that would have helped Anderson that weren't allowed to be played in court. (KTUU-TV)

He listed several ways he could help, which in the eyes of Stockler, were a list of job qualifications. But the first item Anderson pointed out in the taped conversation was his status and credibility as an elected official.

Stockler thinks that didn't sit well with the jury.

"The jury took his comment about being a legislator as exactly as how the government saw it -- that he was a legislator trying to sell his votes. So, we both saw that conversation in two different ways," Stockler said.

FBI - Stevens-752

In the same recorded conversation, Anderson tells Prewitt that if he were to ever vote in ways favorable to Prewitt's interests, it would be because of a shared philosophy and not because of any consulting arrangement.

Jurors obviously felt more was going on.

The jurors did not see all of the evidence in the sense they didn't see all of the materials it appears both sides had access to. There were more recordings and more meetings. But the jury certainly did get to see everything the judge felt was necessary.

Stockler maintains there are conversations that would have helped Anderson that weren't allowed to be played in court, although Stockler was able to allude to those conversations during some of the proceedings.

Contact Jill Burke at jburke@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-753

[<<Back](#)



Poll Respondents think Anderson verdicts were fair

ANCHORAGE, Alaska - On Tuesday, July 10, Channel 2 News conducted an online poll asking if viewers thought former state Rep. Tom Anderson's guilty verdicts were fair.

83 percent of the respondents said the judgment was fair. Here are the official question and results.

Do you think Tom Anderson's guilty-on-all-counts verdict was fair?

Yes	83 percent
No	12 percent
Undecided	5 percent

All polls conducted by Channel 2 News and KTUU.com are unscientific.



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-754

[<<Back](#)



Lawmakers express support for McGuire



Sen. Lesil McGuire is the wife of convicted former state Rep. Tom Anderson. (Jason Kohler/KTUU-TV)

by Bill McAllister
Tuesday, July 10, 2007

ANCHORAGE, Alaska -- They were the only husband-wife team in the recent history of the Legislature. So, now that former East Anchorage Rep. Tom Anderson has been found guilty of seven felony charges, how might that affect the legislative career of his wife, Sen. Lesil McGuire?

The consensus from legislators appears to be that there should be no change at all.



Sen. Bill Wielechowski said he has no problem with Anderson's conviction yesterday on seven felony counts including bribery and extortion. (Kris Riley/KTUU-TV)

McGuire, a senator representing South Anchorage, has not been charged or even accused of any wrongdoing in the ongoing public corruption probe by the FBI and the U.S. Department of Justice; therefore, her colleagues say there will be no guilt by association.

Sen. Bill Wielechowski said he has no problem with Anderson's conviction yesterday on seven felony counts including bribery and extortion.

"It certainly is a tragedy, and it's a tragedy that it took the FBI to come in and clean house here in Alaska. But, I think it's a good thing. I think it's like a hurricane blowing through and it clears out the dead and diseased wood," said Wielechowski, D-Anchorage.

But, Wielechowski said he stands behind McGuire, as a fellow member of the bipartisan majority working group in the Senate.



Rep. Berta Gardner, an Anchorage Democrat, acknowledged that there were no allegations made directly against McGuire during the trial. (Kris Riley/KTUU-TV)

"I just don't think that it's fair to hold that against her: the actions of one family member who did something very wrong. To hold that against another family member that knows nothing about it -- I think most people would agree that's not a fair thing to do," Wielechowski said.

Other lawmakers agree.



McGuire said her constituents and other Alaskans can expect to see the same performance from her that they've come to expect. (Jason Kohler/KTUU-TV)

Rep. Berta Gardner, an Anchorage Democrat, acknowledged that there were no allegations made directly against McGuire during the trial.

"And as I understand it, in the trial there was testimony that her husband hid the source of money that he was getting. So I don't know that there should be any change for her, legislatively, in the immediate future," she said.

Sen. Gary Stevens said McGuire is valuable to the Legislature.

FBI - Stevens-755



McGuire said she has the support of family and friends, which is helping her deal with the recent events. (Jason Kohler/KTUU-TV)

"It's very sad to see what has happened with Tom's case and everyone is concerned and shocked about it. But, as far as Lesil McGuire is concerned in her leadership in the Senate, she's well-respected. She plays an important role in the Senate organization," said Stevens, R-Kodiak.

McGuire herself said her constituents and other Alaskans can rely on the same performance from her that they've come to expect.

"Your constituents get a rare opportunity, sometimes, to watch you in times of adversity and how you conduct yourself. I feel like it has been with strength and my nose to the grindstone and continuing to work hard, if anything, maybe some days more impassioned and more strengthened on issues," she said.

Anderson could be headed to prison, but McGuire is still Juneau-bound.

Sen. Johnny Ellis said that while McGuire will no doubt be mindful the public eye is on her, he hopes all legislators will have a heightened awareness of their responsibilities.

McGuire said she has the support of family and friends, which is helping her deal with the recent events. Sen. Bettye Davis recalled being urged not to run for re-election in 2004, just after her husband died. Davis said she's glad she did and she thinks McGuire can persevere in this situation.

Contact Bill McAllister at bmcallister@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-756

[<<Back](#)

Witnesses say FBI was too pushy



by Bill McAllister
Wednesday, July 11, 2007

ANCHORAGE, Alaska -- When former legislator Tom Anderson was found guilty of public corruption charges Monday, the news was that the FBI had got their man.

But now it's coming to light that other people feel they were put on the spot by the federal agency during and after Anderson's trial.

Several people said they feel they were mistreated by the FBI during and after the trial of former Rep. Tom Anderson. (KTUU-TV)



Bernadette Bradley, owner of the Bradley House Restaurant and Bar in South Anchorage, testified Thursday morning for the defense in the Anderson trial. (Rich Jordan/KTUU-TV)

No one's saying any legal boundaries were crossed, but the witnesses have questions, and in some cases complaints, about the relentlessness of agents who reportedly would not take no for an answer.

Bernadette Bradley, owner of the Bradley House Restaurant and Bar in South Anchorage, testified Thursday morning for the defense in the Anderson trial.

As the president of the hospitality trade association known as Anchorage CHARR, Bradley said in 2005 then-state Rep. Anderson, despite having been paid consulting fees by the organization, nevertheless voted against CHARR's position on several major issues before the Legislature.

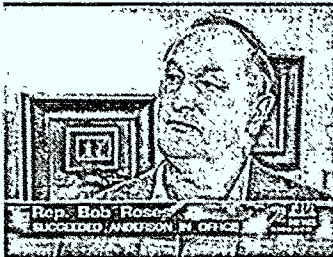


Bradley House Day Manager Amy Dewitt said FBI agents flashed their badges in the restaurant. (Rich Jordan/KTUU-TV)

That testimony was intended to counter the charges that Anderson accepted bribes to take certain positions on corrections industry-related issues.

Within a couple of hours after her testimony, the FBI was desperate to find her. Bradley said she mistakenly left her cell phone at the U.S. district courthouse, and did not get four messages from the FBI until mid-afternoon.

Unbeknownst to her, in the meantime agents first called the Bradley House, talked to day manager Amy Dewitt and then showed up at the height of the lunch hour.



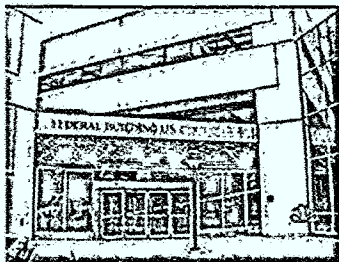
Rep. Bob Rose said he was repeatedly questioned by the FBI. (Rich Jordan/KTUU-TV)

"Urgency. They wanted to speak to her immediately, and so I just did what I could to take care of that," Dewitt said. "They pulled me away from the customers during business hours and come to find out it wasn't even having anything to do with this business at all."

Dewitt said the agents flashed their badges in the restaurant, attracting the attention of all the customers.

FBI - Stevens-757

Bradley said the disruption upset her.



No one from the FBI would comment on-camera for this story, and FBI Spokesperson Eric Gonzalez said there's really not much to respond to. (Rich Jordan/KTUU-TV)

"I guess what angered me is: I just testified as a witness, should have been done at that. With them coming in here to my place of business, flashing their badges, questioning my employees -- they have no idea what's going with me. It's tarnishing my reputation. I have to explain to everybody why they were here and I just thought it was wrong," Bradley said.

Rep. Bob Roses succeeded Anderson in the state House as the representative from Muldoon. He said he thought it was strange when an FBI agent called him in the late evening on July 4 to ask him how he planned to testify the following morning.

Federal agents called him down to FBI headquarters Monday, just a couple of hours after the verdict, to ask him follow-up questions about his testimony that many conflicts of interest exist in the Legislature.

Roses said he's not easily intimidated.

"I think any time you're asked to come to a building and you've got a couple of police officers or agents or whatever in the room ... presents some kind of intimidation to people," Roses said. "You don't know what they're going to talk about, or whether they're out on some fishing expedition for you or somebody else."

Roses said after he answered "yes" or "no" questions, they would be asked again.

Bradley said she doubts the FBI has any misgivings about the actions of its agents.

"I don't think they would feel that they need to apologize. They probably feel that's their job ... to get what they want," Bradley said.

The FBI got what it wanted in the Anderson case, but some witnesses got more than they bargained for.

No one from the FBI would comment on-camera for this story, and FBI Spokesperson Eric Gonzalez said there's really not much to respond to.

He said the FBI tried to serve a subpoena on Anchorage CHARR Thursday, but discovered the office was closed. They then tried to find board members, starting with Bradley, the president.

They were looking for documents concerning consulting fees paid to Anderson. As it turns out, the defense rested, making the issue moot.

Dewitt said every time she said anything, the agents rephrased it and asked her if that's what she said, which she says it never was.

Gonzalez said asking questions in different ways is a technique for spurring memories, one that he said reporters often use.

Contact Bill McAllister at bmcallister@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-758



Anchorage Daily News: Alaska's Newspaper

[Search](#) [Archives »](#)
[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [classified](#) [alaska.com](#) [archives](#) [help](#)

[news](#)
[entertainment](#)
[life](#)
[money](#)
[obituaries](#)
[opinion](#)
[outdoors](#)
[sports](#)
[weather](#)
[shopping](#)
[jobs](#)
[cars](#)
[homes](#)
[rentals](#)
[deals](#)
[ads from print](#)
[alaska.com](#)
[rss feeds](#)
[adn store](#)
[adnmail](#)
[crossword puzzle](#)
[archives](#)
[help](#)

Thanks!

Posted: July 6, 2007 ~ 5:26 pm



From Mat-Su editor Joe Ditzler, in Wasilla:

Southbound Glenn Highway commuters out of the Valley were treated Thursday and Friday to a hand wave and a big old "thank you" from Vic Kohring, federal defendant and soon-to-be former state legislator.

Kohring stood for several hours during the morning commute in about the same spot near the Eklutna exit that he occupies during his legislative election campaigns. With him is the familiar campaign sign, "Vic Kohring, Hardworking, Conservative" but appended now with: "Thank You, Wasilla." This morning he said he'd be standing roadside once more on Saturday.

The occasional horn sounded as passing traffic thinned in the waning hour of the morning commute. Kohring said he's heard plenty of supportive messages from friends and constituents and just wanted to show his appreciation.

Kohring admitted the prospect of a 55-year prison term is scary. For his own sake he doesn't fear prison. If convicted of federal extortion and bribery charges. But, he said, he must fight those charges for his family's sake. Kohring said he handles finances for his father, for one, who has Alzheimer's disease. He's not working for the time being, rather focusing on his upcoming trial, scheduled for October.

On June 19, Kohring announced he would step down in 30 days.

He said, as he has repeatedly, that he's innocent and expects to be acquitted.

A federal grand jury indicted Kohring based on evidence he accepted thousands of dollars from Veco executives, sometimes even pocket money, in return for looking out for the company's interests in the Legislature. His indictment has soured Kohring's on some facets of

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



The Trail 2006 campaign blog

Sabra Ayres covers Alaska state politics and the legislature from our capital bureau in Juneau. Before joining the Daily News in December 2006, Sabra covered the former Soviet Union as a Moscow correspondent for the Cox Newspapers. Email her at sayres@adn.com.



ARCHIVE

Stevens' office responds to Roll Call story - 7/10/2007 5:12 pm

Fields of green - 7/10/2007 4:59 pm

Anonymous posts - 7/10/2007 1:59 pm

Roll Call on Stevens - 7/10/2007 1:44 pm

FBI - Stevens-759

Ads by Google

Anchorage Alaska Hotels
Hotel Photos, Info & Virtual Tours
Book with Expedia and Savel
www.Expedia.com

India BnB & Yoga Retreat
Affordable Anchorage Lodging. Fresh Indian & American breakfast
www.Indianalaska.com

Alaska Personal Injury
The Law Offices Of Steve Sims Over 25 Years of Experience
www.alaskaaccidentlaw.com

Alaska Divorces
Follow State law & get a divorce. 3 easy steps! Fast, Easy & Cheap.
LegalZoom.com

government. Some in the justice system, he said, target politicians for prosecution as a means of scoring political points and popular support. The 12-year legislator from Wasilla will run again once he's exonerated, he said.

[add new comment](#)

Where is that
water-throwing guy from Soldotna when you need him?

(and what was his name again?)

new siddfynch | July 10, 2007 - 11:50pm

[reply »](#)

Jeff Webster?
Webster guilty on 3 charges, jurors decide

new AK_Lady | July 11, 2007 - 1:19pm

[reply »](#)

Going, going...not yet gone
I think they got the captions mixed up

new BravoSierra | July 10, 2007 - 4:49pm

[reply »](#)

Wow, why did you let this happen Victor?
...Tom is guilty and you are next... then Pete and then Bruce... You know your best bet is to go make a deal with the federalis..they caught you with your hand in the cookie jar this time... All that mumbo-jumbo about you being innocent and other such nonsense...well... POPPYCOCK!... sorry Vic.. I agree with some on here now... you gotta fry...

haroldb_99501 | July 9, 2007 - 3:41pm

[reply »](#)

Already seems to be running for re-election

Just remember...If Marlon Berry; the Mayor of D.C in 1990 can get arrested for smoking crack cocaine on camera, go to jail, return and get re-elected...anybody can get re-elected. Isn't that sad.

moistorm | July 9, 2007 - 10:24am

[reply »](#)

Sad but not surprising.

When the majority of the electorate participates regularly in the vice for which the mayor got nabbed is it any wonder that he gets the majority of the votes?

rfn | July 9, 2007 - 11:30am

[reply »](#)

Job Opening

Apply Now ~ District 14 State House Vacancy

The District 14 Republican Committee requests applications from District 14 Republicans who seek to serve as their Alaska State Representative until one is elected by voters in November 2008.

Applicant Qualifications

Must have been a resident of District 14 since June 1, 2005

Must have been continuously registered as a Republican since June 1, 2005

Application must be received no later than 5:00 pm July 11, 2007

Applicant Resources

[Download Full Application Packet PDF](#)

[View District 14 Map ~ Download PDF Map](#)

[Download APOC Disclosure Forms Word DOC](#)

City battles for higher water/sewer rates - 7/9/2007 4:17 pm

Also today... - 7/9/2007 4:17 pm

Jury finds Anderson guilty - 7/9/2007 1:42 pm

Here's what happened - 7/6/2007 6:05 pm

Thanks! - 7/6/2007 5:26 pm

Going, going...not yet gone - 7/6/2007 4:28 pm

Now accepting applications - 7/3/2007 11:42 am

"Inconsistencies" - 7/2/2007 4:14 pm

Should everyone have to get insurance? - 7/2/2007 3:19 pm

Backbone II: Electric Boogaloo - 7/2/2007 1:41 pm

Universal health care - 7/2/2007 12:24 pm

Whose job was it ... - 7/2/2007 10:13 am

Third soldier - 7/2/2007 6:26 am

Green's response - 6/29/2007 5:33 pm

Begin on budget cuts - 6/29/2007 2:27 pm

Cap budget - 6/29/2007 2:24 pm

[full archive »](#)

FBI - Stevens-760

Review Republican Party Platform

»

Application Submittal Options

District 14 Chair, Steve Colligan by email to stevecolligan@gmail.com

By Fax to the Alaska Republican Party Headquarters: 907.276.0425

In Person to the Alaska Republican Party Headquarters, 1001 W. Fireweed Lane, Anchorage, AK 99503

twentythreeskidoo | July 8, 2007 - 10:37pm

reply »

Frontiersman article

Hopefuls stepping up to fill House vacancy

July 8, 2007

By Will Elliott

AK_Lady | July 8, 2007 - 10:42pm

reply »

Here's A Conversation Worth Pursuing....

...what is a "Conservative"--especially in Alaska. There are Democrats who are fiscally responsible, with strong traditional family values, and who believe in the Golden Rule. Berta Gardner comes to mind immediately and there are many others. Yet, talk to the average Vic Kohring constituent and they would reject an ethical progressive in favor of someone like Vic.

I mean, after Scott Ogan and Vic, I have to wonder how often are the "Fishers of Men" going to settle for carp?

What is a conservative?

metanoia2k | July 8, 2007 - 4:15pm

reply »

sorry Vick

but you need to fry, if not for this, then at least for Alding and abetting the Alaska Court System, Agents of the State, and the Ag's Office in hiding one of the most unconstitutional acts ever forced upon man. Yes Vick, I am talking about your little Private contracts of law, that have not been disclosed to the public for which all of you are getting fringes for shoving down our throats, of course this won't happen, YET, but there will be a lot of agencies and entities running when it does break open to where the public finally learns what you all have been hiding so well.

nickolas | July 8, 2007 - 2:10pm

reply »

Joe Ditzler is a Ditz

In the first two paragraphs he spells Vic's last name wrong. It is NOT KORHING. I oughta know, it's my last name too. And I thought only the fake Billy Muldoon made that stupid mistake.

Sorry for the interruption of your witty repartees, polite banter and good old-fashioned snark-festing.

This has been a polliwog's pond pet peeve moment.

polliwogspnd | July 8, 2007 - 1:19pm

reply »

FBI - Stevens-761

Kohring, and the video evidence

After reading some of the inane comments posted here- maybe by Vic himself, I gathered up some of the information that came from the video recordings that were part of the information received by the grand jury that indicted Kohring.

Note that "COMPANY CEO", and "COMPANY VP", are VECO's Allen and Smith- who have pleaded guilty in this case.

One blogger, Realist, hit the nail on the head when he posted: "But. . . Is he claiming per diem for the time spent on this stunt?

And anyway, didn't he say he needed to devote himself full-time to his defense? Just weird."

The evidence presented thus far, under oath, makes it clear that Kohring is a crook, and that he sold out Alaskans with the PPT legislation- legislation that has already cost each Alaskan thousands of dollars.

But do not take my word for it, read the following excerpts form the transcripts:

23. On or about February 23, 2006, during a dinner meeting attended by COMPANY CEO, COMPANY VP, and KOHRING, KOHRING received approximately \$1,000 in cash from COMPANY CEO.

24. On or about March 1, 2006, in a telephone conversation a week after having accepted \$1,000 in cash from COMPANY CEO, KOHRING asked COMPANY VP to contact KOHRING if he could provide assistance on any legislative matter or implement any strategy on behalf of COMPANY A.

25. On or about March 4, 2006, while discussing in Suite 604 the importance of the proposed gas pipeline legislation, COMPANY CEO told COMPANY VP that he had just given "a thousand" to KOHRING and that, as a result of the payment, KOHRING "would kiss our ass."

35. On or about March 30, 2006- during the same conversation in Suite 604 and shortly after KOHRING had asked COMPANY CEO and COMPANY VP for the \$17,000 loan- KOHRING began to discuss his family and his financial condition. COMPANY CEO then asked COMPANY VP if he had any "hundreds." COMPANY VP retrieved his wallet from a pants pocket, pulled out multiple bills of currency, and then handed at least \$100 in cash to COMPANY CEO who, in turn, passed the money to KOHRING.

36. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING took the cash the COMPANY CEO handed him, thanked CEO, and shook CEO's hand.

37. On or about March 30, 2006, during the same conversation in Suite 604 and after receiving the prior cash payment described above, KOHRING again mentioned his family and his financial condition. Immediately thereafter, KOHRING accepted a second handful of cash, totalling approximately \$500 to \$1,000, from COMPANY CEO, who had handed the cash to KOHRING.

38. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING took the second handful of cash from COMPANY CEO, thanked COMPANY CEO again, and shook his hand.

39. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING, immediately after receiving the cash payments from COMPANY CEO and COMPANY VP, made the following statements to COMPANY CEO:

KOHRING: What can I do at this point to help you guys? Anything?

COMPANY CEO: Whatever you, you know, uh, uh-

KOHRING: Just keep lobbying my colleagues for (Murkowski's) plan, right?

40. On or about March 30, 2006, during the same conversation in Suite 604 after receiving the two cash payments described above, KOHRING discussed with COMPANY CEO AND COMPANY VP his relationship with a number of legislators and told COMPANY CEO that "my first effort will be to figure out where they are at and then, secondly, I'll politely and gently as carefully as I can influence them in a positive way to see that (Murkowski's) bill is the vehicle they consider."

Stumpy1 | July 8, 2007 - 1:18pm

reply »

Vic, Vic, Vic...

we've been through all this before: you're guilty, remember? Stumpy1 has nicely summarized the evidence against you (see above). Might be a little tough to clear your name after all this, don't'cha think? Vic, do you honestly believe they're making this stuff up? Huh, do you? Here's what you need to do, Vic: give Tom Anderson a call, ask him how he's feeling right now. Go on: I know, it's a long distance call from Oregon, but it'll probably be worth the expense. FBI - Stevens-762

Once you talk to Tommie, fly back up here to Alaska, get yourself an appointment with the prosecutors, and lobby as hard as you possibly can (even harder than the lobbying you did for VECO) for a deal that will shorten the jail time. Go on, Vic, just do it; you can then tell the public (and especially all those "supporters" you have there in District 14) that you're copping a plea "for your family." There you go; good job, Vic, you can do it. No, really, there's no need to thank me.

new gald | July 9, 2007 - 8:33pm

reply »

Vic

I wonder what he knows about that no-bid contract for Pac-West -a company based in Oregon.

Stags_Leap | July 8, 2007 - 7:38am

reply »

Hahaha! I must need new glasses!

I swear the last line in the column read "The 12 year old legislator from Wasilla will run again. . ." Of course, it could be a Freudian slip.

alaskadiva | July 7, 2007 - 4:24pm

reply »

Something Stinks and I think its the F.B.I.

....the way the Anderson trial went... this is setting up as a "Alaska tars and feathers the F.B.I." Show... It didn't read or sound very good for the federal boys in the Anderson Trial... Something stinks with the Vic's Charges... and I think its not Vic...

Good Luck Vic K... Fight hard and hand these Federal Boys their lunch on their way back to Washington DC!

haroldb_99501 | July 7, 2007 - 7:26am

reply »

I'm not sure what the

I'm not sure what the Federalis will have in store for Vic, but they seem to have a prosecutor who is on his toes.

Luck is only going to help him with avoiding the upper end of the sentencing range.

It seems the entrapment will be missing from Vic's deal. They were looking at VECO and PPT from get-go not staging sting op's.

DOJ will likely get their convictions, and Vic will have to go somewhere for a while.

Who will the Anderson tapes incriminate is my question.

edgefinder | July 7, 2007 - 9:12pm

reply »

If Anderson is Acquitted ...

well.. you are going to tell me that you are supporting a conviction based on a CEO handing over a one hundred bucks to a friend?

...pretty tall order... the fact of the matter is Vic's position on the PPT was well known before hand.. He has ALWAYS been a Small government Pro Business Legislator...

...becasue he had a conversation with a crooked CEO doesn't make a person a felon...

--we'll see... I predict.. Acquittal... I also see Vic running again and WINNING in the future... you'll see..Personally I don't like the guy... BUT... if he was running for something... well ... Mother Teresa would have to be running against him to lose my support... then only on a Sunday,,, Vic will walk....

haroldb_99501 | July 7, 2007 - 10:32pm

reply »

But then maybe you're

But then maybe you're absolutely right, It's all just some Internet rumour- urban legend that the DOJ decided to send 8 70 Agents.

They had to. DOJ had to go to Alaska.

FBI - Stevens-763

I think Vic's main concern is to *not* get 55 years. 150 months is what he needs to be thinking. If he behaves himself, well...it's a slap on the wrist.

edgefinder | July 7, 2007 - 10:49pm

reply »

I wish I had "friends" dropping by

I wish I had "friends" dropping by giving me \$100 or \$10,000 every once in a while.

But that might not be good if you were a legislator, and being watched by the FBI.

edgefinder | July 7, 2007 - 10:40pm

reply »

"Beyond a Reasonable Doubt"

...pretty tough to get for a hundred bucks... It isn't going to happen...

haroldb_99501 | July 8, 2007 - 12:17am

reply »

Those DOJ guys don't mess

Those DOJ guys don't mess around for the most part.

I would guess you are some long standing acquaintance of the guy, and hate to see him in the pokey for 55 years. It probably won't be that bad.

I'm not sure how "reasonably doubtful" the video tape will be. The VEConvicts testimony will not help him.

Funny how they call it "Frank's" plan. I bet he gets a break to roll over and gets slightly over minimum sentence for doing so.

edgefinder | July 8, 2007 - 11:32pm

reply »

Who Painted the sign for

Who Painted the sign for him?

It's kind of quaint.

edgefinder | July 6, 2007 - 9:00pm

reply »

Maybe

He stole that anti-Vic sign and repainted it.

TheSdog | July 6, 2007 - 9:01pm

reply »

Whoosh 55 years..I try your

Whoosh 55 years..

FBI - Stevens-764

I try your link instructions and I still can't get the link to appear on the words

href="http://www.ca9.uscourts.gov/ca9/Documents.nsf/174376a6245fda788OpenDocument"NINTH CIRCUIT JUDGES.

edgefinder | July 6, 2007 - 10:02pm

reply »

Here ya go...

NINTH CIRCUIT JUDGES

Here's a link to a page that shows the HTML code typed out. Just

copy it, delete their example (in red) and insert yours.

AK_Lady | July 6, 2007 - 11:18pm

reply »

Vic's legal strategy?

Hmmm, so is Vic really standing out there waving and smiling to try and influence the pool of jurors in his upcoming trial?

See- I am not a crook- look- I am waving and smiling- see what a nice guy I am?

Stumpy1 | July 6, 2007 - 8:43pm

reply »

Billboard Queen

Needs to get the billboard Initiative back up for the upcoming "We Aren't Corrupt" ad campaign.

edgefinder | July 6, 2007 - 10:29pm

reply »

Stumps

You always whine about how I don't "know" Sarah.

Do you know Vic?

I met him a couple of times. He seemed like a good guy to me. I would never let that be my guide on what I think of his actions. --

I met Bruce Babbitt once for breakfast 6 months after he ran for President. Great guy. Smart Guy. But I'd never vote for him.

So do you know Vic?

Get my point?

TheSdog | July 6, 2007 - 8:51pm

reply »

Babbitt and Vic

I've talked with both Bruce and Vic.

If the FBI video recordings of Vic getting cash in a hotel room from the convicted Bill Allen are any indication, it looks like you've misjudged him.

Stumpy1 | July 6, 2007 - 9:51pm

reply »

Not necessarily

Good people can make bad decisions. Ever make some bad decisions stumps?

That is why it is irrelevant to me if you think Palin is a "good person." Good people can make the wrong decisions as well as the bad ones.

They can also be misguided although the most intelligent thing Babbitt said to me was, "The Reagan revolution was a myth." Chew on that a while. I gotta get up to go slaughter fish tomorrow.

TheSdog | July 6, 2007 - 10:08pm

reply »

He should get an iPod and dance-

Like that other guy who gets so much attention....the essential truth here is that corruption isn't really a negative in the oil and Baptist culture of the deep south. It's just the way things get done. That culture was transported to the Valley with the oil boom. Big hair, big trucks, big Jesus. Once again, us Yankees are imposing our moralistic values on simple rural people who just want to git on with their lives.

FBI - Stevens-765

zidar | July 6, 2007 - 8:00pm

reply »

Dance? Too hard to hit with a tranq dart that way . . .

Heck, you don't want me to miss and hit him in the vitals do ya? I'm outta practice. And quit dissing us Dixie Chix. Some of us moved up here to escape Cracker Crumbs. The little weasles followed me up here back in the '70's. Most Yankees are just Crackers in disguise anyway. Scratch 'em and most are just covering up their bigotry with stage make-up.

Hey, I may sound simple, but, I was born and raised in a city the size of Los Angeles. Paid for 2 college degrees. Some of us live in rural areas because we're trying to get away from folks who want to choose the colors we can paint our homes with, make us leash the dogs when we're out in the middle of bloody nowhere, and . . .well. . .you get the idea: I hope.

alaskadiva | July 7, 2007 - 4:37pm

reply »

just keep that dog on a leash

And don't forget the sandwich bags.

zidar | July 7, 2007 - 6:56pm

reply »

Please!!!

Please, oh please, oh pretty please!

Don't tell me you confused Anchorage, Wasilla, or Palmer with Alaska!

rfn | July 7, 2007 - 4:57pm

reply »

Wrong title on this BLOG

It should have been the one with: 'Going, Going,....not yet Gone',

palmerbuyer | July 6, 2007 - 5:07pm

reply »

Well..

At least he's not off hiding somewhere.

AK_Lady | July 6, 2007 - 5:25pm

reply »

But. . .

Is he claiming per diem for the time spent on this stunt?

And anyway, didn't he say he needed to devote himself full-time to his defense?

Just weird.

realist | July 7, 2007 - 5:48pm

reply »

I could have sworn

It was surgery on his neck.

He needs a prop, like a cane or a neck brace.

twentythreeskidoo | July 8, 2007 - 6:29am

reply »

I don't know, but...


... the article said he'd be out there again today. Did you go ask him?

AK_Lady | July 7, 2007 - 6:17pm

reply »

FBI - Stevens-766

Like the guy
who kept bees in an airtight jar on his desk....
It's just a hobby.....
rfa | July 7, 2007 - 6:08pm
reply »

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company 
Contact Us | Newsroom Contacts | Communication Forms | Subscriptions | Advertising | Terms of Use
Daily News Jobs | RSS Feeds | ADN Store | Newspapers in Education | Privacy Agreement

A member of the
Real Cities Network

FBI - Stevens-767

After 2-month delay, Stevens releases report on personal finances

Associated Press
KTVA

Article Last Updated:07/17/2007 06:40:21 PM AKDT

Senator Ted Stevens has filed the annual report on his personal finances with the Senate Ethics Committee. He filed Tuesday after receiving a two-month extension to fix what he called a few simple technical errors. The delay was not unusual for members of Congress, but with his son under investigation by the FBI for corruption, Stevens says he wants to make sure his report, is unassailable.

The mandatory reports, filed by members of Congress each year, detail income, assets and gifts from the previous year. The 83-year-old senator says nothing in the mandatory disclosure report has anything to do with the investigation.

A copy of the report provided by Stevens' office to The Associated Press shows his assets are worth between one million and two million dollars with about half in a blind trust.

Individual assets include oil well interests in Oklahoma and rental housing in Wickenburg, Arizona. Local holdings include commercial property and a share in Sack's Restaurant, a downtown eatery.

The senator's disclosure report also included a retroactive list of gifts he received from the Kenai River Sportfishing Association. The group works to protect salmon runs on the Kenai River and was founded by Stevens' friend and business partner Bob Penney.



Close Window

Send To Printer

FBI - Stevens-768

[<<Back](#)



Palin nominates Keller for Valley seat

by Bill McAllister
Monday, July 17, 2007

ANCHORAGE, Alaska -- The Wasilla area could have a new representative soon.

Gov. Sarah Palin has made her selection of a replacement for Vic Kohring, whose resignation is effective Thursday. House Republicans will soon have the choice of confirming someone well known to them.

From the short list of three candidates forwarded to her by Wasilla-area Republicans Friday night, Palin selected Wes Keller, a legislative aide for the past nine years.

Initial reaction from House Republicans was favorable, and the leadership hopes to hold a confirmation vote on Keller no later than next week.

Keller was one of seven candidates for the soon-to-be vacant House seat in Wasilla who made a pitch to local Republicans Friday night.

"There's a lot of pressure in Juneau to do business as usual. And that business as usual has translated historically into more spending, bigger government, less personal freedom and that's why I'm passionate about this and I want to get in. It's an important thing," Keller said in his speech Friday night.

A selection committee picked Keller as one of three finalists, and today Palin appointed him to the District 14 seat, subject to confirmation by House Republicans.

"The candidate's vast experience throughout the state bodes well for our shared vision of all regions working together for Alaska's good," Palin said. "From experience as a former school teacher, business owner, building contractor, oil field hand, United States' Air Force training put to good use as a pilot in our beloved Alaska National Guard and as chief of staff for a respected legislator, this Alaskan is ready to hit the ground running."

Keller, chief of staff to Sen. Fred Dyson of Eagle River, is well-known to House Republicans such as Nancy Dahlstrom.

"He's been fantastic to work with, very easy person. He's a listener and I know him to be a man of reason," said Dahlstrom, R-Eagle River.

Bill Stoltze said he thought Keller would make a positive impact in the body.

"He's intelligent, unquestionable integrity. I think he'll exercise good judgment. I'm glad he's part of the new Valley delegation," said Stoltze, R-Chugiak.

House Majority Leader Ralph Samuels said Keller's experience gives him an advantage.

"He knows the process. Coming in mid-term, it would be difficult if you weren't familiar with the legislative process at all," said Samuels, R-Anchorage.

Keller signaled Friday that he would get to work even before the confirmation vote.

FBI - Stevens-769

"As soon as Gov. Palin says, 'You're appointed,' I'll go to work. It doesn't mean I'll get paid, but I can go to work and so I'm ready to go," Keller said.

There's one formality to go, but Wasilla-area constituents can start saying Rep. Keller right away. Keller was traveling today and was not available for comment on his appointment.

Samuels said he's hopeful the caucus can meet with Keller and take its vote within a week. House Speaker John Harris said if necessary, the vote could be done by phone.

Last week we reported that Rep. Les Gara, D-Anchorage, wrote to Palin asking that she get a commitment from her appointee not to reflexively follow a party line in Juneau.

Palin said she discussed the concern and Gara's letter specifically with Keller. She said they're agreed on the need for him to be an independent voice at the capitol.

Contact Bill McAllister at bmcallister@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-770

NewsBank^{inc.} Access World News

Paper: Anchorage Daily News (AK)
Title: Stevens: My money, not Veco's -
REMODEL: Senator is emphatic that filing extensions are unrelated.
Date: July 18, 2007

The money spent on renovations that doubled the size of U.S. Sen. Ted Stevens' Girdwood home and led to a federal grand jury investigation came out of his own pocket, the Alaska Republican told reporters Tuesday.

"As a practical matter, I will tell you. We paid every bill that was given to us," Stevens said, referring to himself and his wife, Catherine. "Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it. It's our own money."

A federal grand jury is investigating the renovations in 2000, including work that might have been performed by oil services company Veco and contractors who were hired or supervised by the company. The company's former executive, Bill Allen, has pleaded guilty to bribing state legislators.

In May, a family friend who oversaw the addition, Bob Persons, was asked by a Washington grand jury to produce blueprints and other plans, photos and purchase and installation documents for all phases of the project, including the heating system, generators, ice-melt systems and decorative lights. His summons also told him to bring invoices, payments and other documents related to several Veco employees and to the main contractor.

Stevens said Tuesday that he has been told not to talk about the grand jury investigation. But he couldn't stop himself during a press conference he called to explain why he had been granted two extensions to clear up irregularities in his annual financial disclosure form.

Stevens said he wanted to be clear that the delays in filing his financial information to the Senate Ethics Committee had nothing to do with the ongoing grand jury investigation. He was so emphatic about separating the two issues that he interrupted a reporter who asked him why he hadn't explained it the first time he filed for an extension.

"There is nothing in this disclosure that is in any way connected with the investigation," Stevens said. "Nothing that I know of."

Stevens said that he requested the first extension to clear up confusion about how to disclose his wife's 401(k) retirement investments. The Senate Ethics Committee has had questions about her finances in past disclosures, Stevens said, and he wanted to make sure the form was filled out properly this time. He described it as "putting certain X's in the right box."

"We took some extra time to make sure that it complied with the ethics rules of the Senate," Stevens said. "There were a few technical clarifications that the ethics committee wanted to make."

Stevens said he did not specifically ask for the second extension but that the ethics committee wasn't able to review everything in his report until 5:30 p.m. Friday, so they gave him another extension. He filed a final version on Tuesday.

"I asked them to review it to make sure we had done the thing right this time," Stevens said. "We asked them to review it, and they did review it."

Stevens and other members of Congress had until May 15 to turn in the form, which covers information about their 2006 personal finances, including investments, property ownership and gifts.

Stevens' report details the senator's wide financial interests, including an oil well in Oklahoma that he has owned since the 1970s, an investment in Sacks Restaurant in downtown Anchorage and shares in two racehorse partnerships.

The disclosure form lists that his wife has invested in a rental house in Arizona as well as commercial property in Anchorage. He reported giving his daughter his interest in half a herd of cattle in Arizona.

Interest in Stevens' finances has grown since the FBI raided the office of his son, former Alaska Senate President Ben Stevens, as part of a wider corruption and bribery probe. The younger Stevens has not been charged with a crime and has denied any wrongdoing.

The older Stevens, the longest serving U.S. Senate Republican, has hired lawyers and has been asked by the FBI to preserve documents. Some of his friends and associates have been questioned before the grand jury, specifically about the remodeling project.

Contact Erika Bolstad at the Washington, D.C., office at 1-202-383-6104.

FBI - Stevens-771

DOCUMENT: Sen. Stevens' financial disclosure.

adn.com/politics

Photo 1: BurnedCar_071807.jpg

Photo 2: BurnedCarCouple_071807.jpg

Copyright (c) 2007, Anchorage Daily News

Author: ERIKA BOLSTAD ebolstad@adn.com Staff

Section: Main

Page: A1

Dateline: WASHINGTON

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-772

NewsBank^{inc.} Access World News

Paper: Anchorage Daily News (AK)

Title: Weyhrauch wants trial relocated to Juneau -

CORRUPTION SCANDAL: Defendant's family, business and many witnesses are there.

Date: July 18, 2007

Citing convenience and a chance to avoid delay and expense, former state Rep. Bruce Weyhrauch wants a federal judge to move his trial from Anchorage to Juneau, where he and co-defendant Pete Kott live.

Prosecutors haven't yet said if they object to a move. The trial is set to begin Sept. 5.

Both Weyhrauch and Kott are Republicans accused of selling their votes and influence to oil field services contractor Veco Corp. and its chief executive during last year's debate on oil taxes.

Weyhrauch is charged with bribery, attempted extortion, conspiracy and mail fraud. Kott faces bribery, extortion, conspiracy and wire fraud charges.

Weyhrauch, a Juneau attorney with a wife and three young children, served in the House from 2003 until his term ended this year. He didn't run in 2006.

Kott, a former House speaker, represented Eagle River in the Legislature from 1993 until this year. He was defeated in last year's primary election. He now lives full time in the capital city.

One of Weyhrauch's attorneys, Doug Pope, argued in court filings that since both defendants live in Juneau, and most of the alleged crimes happened in Juneau, the trial should take place there too.

Some of the conversations at issue took place in Suite 604 of Juneau's Baranof Hotel, Pope noted.

Most of the evidence is contained on computer disks and hard drives and is easily moved, the lawyer noted.

Many of the witnesses also live in Juneau, Pope wrote, offering to provide the judge a detailed list. Exceptions include FBI agents and former Veco executives Bill Allen and Rick Smith, whom Pope described as convicted criminals. Allen and Smith have pleaded guilty to conspiracy, bribery and tax fraud and are cooperating with prosecutors.

It would be disruptive for Weyhrauch to leave his family and law practice for the trial, Pope wrote.

"It does not take a social scientist to acknowledge that Weyhrauch will have weighty family obligations during trial, and it is no answer to suggest that the family can move to Anchorage," the lawyer wrote.

Another factor is pretrial publicity.

While Pope wrote that he's not now trying to move the trial on grounds of prejudicial pretrial publicity, he contends there's less chance it would have to be delayed later because of additional publicity if it were moved.

The FBI's corruption investigation has received more coverage in the Anchorage Daily News than the Juneau Empire, which has mentioned Weyhrauch only once recently, Pope wrote.

A July 2 Daily News opinion piece headlined "For sale, cheap" was "particularly poisonous," he wrote. In it, Kott was called "Veco's boy" and Weyhrauch's performance was compared to that of a "rank amateur."

Find Lisa Demer online at adn.com/contact/lidemer or call 257-4390.

Caption:

Former state Rep. Bruce Weyhrauch is charged with bribery, attempted extortion, conspiracy and mail fraud.

Caption:

Photo 1: Bruce Weyhrauch CMYK_071807.jpg

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-773

Author: LISA DEMER lidemer@adn.com Staff
Section: Alaska

Page: B1
Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-774

NewsBank_{inc.} Access World News

Paper: Anchorage Daily News (AK)
 Title: Kohring's replacement named -
 WES KELLER: Gov. Palin chooses legislative staffer for indicted lawmaker's seat.
 Mat-Su focus
 Date: July 18, 2007

Wes Keller, appointed Tuesday by Gov. Sarah Palin to replace Wasilla's outgoing Rep. Vic Kohring, spent eight years working for state Sen. Fred Dyson.

Keller left Wasilla for Juneau every one of those years with a senator representing Eagle River and Chugiak.

But Palin dismissed any contention that Keller doesn't know Wasilla.

Keller has lived in the community for 20 years, his three children graduated from Palmer and Colony high schools, and he has "strong, deep roots here in the Valley," Palin said in an interview Tuesday.

The governor said she picked him only to finish out Kohring's term representing District 14, with the understanding that the position will again be a "free-for-all" to candidates vying for the seat next year.

"We talked about the need for experience and integrity, and helping to clean up the Legislature. We need some wisdom there," Palin said. "We didn't even talk about what happens a year and a half from now."

Keller's appointment still awaits the approval of a majority of House Republicans the next time the Legislature meets, at the earliest in an as-yet unscheduled special session on oil taxes this fall.

Kohring leaves the Legislature in his seventh term Thursday. He resigned following federal indictments on charges of bribery and extortion, but says he is innocent. His trial is slated for this fall.

As Palin announced her pick in Anchorage on Tuesday, Keller was out of reach, driving home from Haines in a car he left in Juneau last session.

He favors local control and "smarter state spending" and has worked as a teacher, building contractor, oil-field hand and pilot in the Alaska National Guard, according to information the governor's office supplied.

Keller most recently served as Dyson's chief of staff. His wife, Gayle, works as Dyson's office manager. She said Keller has a thing for working on cars and has five grandchildren who call him "Bumpa." He for years has lived with chronic lymphocytic leukemia. The family worships at Wasilla Bible Church.

Dyson called Keller his best friend and said he'll miss him.

Rep. Les Gara, D-Anchorage, last week asked Palin to make sure her choice could stand up to party-line pressure, particularly on oil-tax and gas-pipeline issues.

Palin said she told Keller she agreed with Gara when they spoke Monday.

"He agreed that we can't let obsessive partisanship get in the way of what's right for Alaska," she said.

Gara on Tuesday said he didn't know Keller well enough to judge his resistance to party politics, but that he is looking forward to working with him.

"Wes has always been a gentleman to me, and I think that bodes well," he said.

Keller beat out two other finalists forwarded by the Alaska Republican Party's district leadership from a total of seven candidates: former school superintendent and lobbyist Darroll Hargraves and Colleen Sullivan-Leonard, a Wasilla planning commission member who ran unsuccessfully against Kohring in 2004 and now works for Palin in her Mat-Su office.

Find Zaz Hollander online at adn.com/contact/zhollander or call 1-907-352-6711.

Caption:
 Photo courtesy Gayle Keller

FBI - Stevens-775

Wes Keller has worked as a teacher, building contractor, oil-field hand and pilot in the Alaska National Guard.

Caption:

Photo 1: KenaiMatSu_Focus.1_071807.jpg

Photo 2: WesKeller2_071807.jpg

Copyright (c) 2007, Anchorage Daily News

Author: ZAZ HOLLANDER zhollander@adn.com Staff

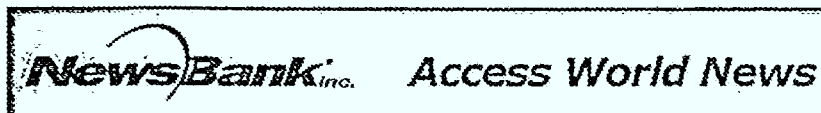
Section: Alaska

Page: B1

Dateline: WASILLA

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-776



Paper: Anchorage Daily News (AK)

Title: Senator's land deal scrutinized -

MURKOWSKI: Purchase of tract along Kenai River for \$179,400 draws questions and criticism.

Date: July 19, 2007

U.S. Sen. Lisa Murkowski is drawing criticism this week over Kenai River property she bought late last year from real estate developer and political supporter Bob Penney.

The national political Web log TPMuckraker.com raised the issue Monday when it quoted government watchdogs questioning whether the senator should do business with Penney, who has also been a business partner with Sen. Ted Stevens, R-Alaska.

It also questioned whether the sale price -- initially unreported -- was below the market value.

After two days of criticism online and on talk radio, both Penney and a spokesman for Murkowski described the deal as a fair trade between people who chose to become neighbors on the river.

They said Murkowski, R-Alaska, and husband Verne Martell paid Penney the amount of the Kenai Peninsula Borough's most recent assessment on the 1.27 acres: \$179,400. Murkowski's spokesman said there was nothing improper about the sale.

This year's borough assessment, completed after the sale, is for \$214,900.

The assessed value was a fair selling price, Penney said, adding he sold the land next to his own place because he enjoys fishing with Murkowski's family and wanted them near.

"I decided, 'What the heck? I'd love to have them for neighbors,'" Penney said Wednesday at the riverside log home where he lives seven months of the year.

He pointed out Murkowski's vacant, forested lot sloping to the river's north bank just downstream on the walkway from his home. He said a winter ice jam tore up a riverbank walkway and dock, the property's only improvements.

The transaction raised suspicions at a time when four current and former Alaska state lawmakers have been charged with corruption, two businessmen pleaded guilty to bribery and other charges, and the FBI and Justice Department continue their investigation of corruption in state politics. The TPMuckraker blog quoted anonymous Soldotna-area real estate agents saying the property is worth at least \$300,000 and said both Penney and Murkowski refused to discuss the price.

Conservative KFQD 750 AM host Dan Fagan told listeners the senator appeared to be hiding a favor she received from Penney, because she was unwilling to disclose the purchase price. His show's Web site posted a photo of Penney with the caption, "Sold the property to Murkowski for far less than market value."

"Primo real estate right on the Kenai River," Fagan said on air. "There is ample evidence that she got a sweetheart deal on the thing."

Penney and members of his family contributed several thousand dollars to Murkowski's 2004 election campaign, though they also donated to her opponent, former Democratic Gov. Tony Knowles.

Efforts to reach Murkowski on Wednesday were unsuccessful, but her press secretary, Kevin Sweeney, said the land sale was fair. He said the senator's office did not immediately respond to questions about the purchase because they were posed by an unfamiliar media outlet.

Murkowski and Martell have sold their Anchorage home and are looking for another Alaska residence, Sweeney said. Last summer they began talking to Penney about finding land for a home, he said. Their official Alaska residence is a small house in Girdwood.

"They were looking for property on the Kenai. He had property on the Kenai," Sweeney said. He stressed that it wasn't an investment property, and that Murkowski and Martell intend to build a home there.

Murkowski disclosed in her annual Senate financial statement that she borrowed 80 percent of the purchase price, and Martell reported the price to the borough, Sweeney said. They did not attempt to hide the numbers, he said.

"She purchased the property in November for what she thought it was worth, and what the seller thought it was worth, and what the borough thought it was worth," Sweeney said.

FBI - Stevens-777

A Soldotna real-estate broker, Linda McLane of the Ron Moore Co., said riverfront properties typically sell for more than the borough's assessed value. She said she had not heard about Murkowski's purchase or looked at the land in question, though generally \$179,000 would be low for a Kenai River lot of that size.

McLane added that the hottest sellers tend to be below the Sterling Highway in Soldotna. Murkowski's land is above that crossing.

Martin Radvansky of Soldotna Really told Anchorage KTUU Channel 2 that similar lots on the river have sold for between \$250,000 and \$350,000 since early last year.

Penney said he was surprised that the assessed value was as high as it was -- and that the family agreed to the price. The assessed value the year before the sale was \$120,300, and Penney said he didn't know it had changed in 2006.

"Word of honor, I did not know what the assessed value was," he said. "I thought it was still \$120,000."

The 2005 assessment was up only about \$11,000 from 2004, compared to the \$59,000 increase last year and \$36,000 this year.

"Who the hell would ever think it would jump like that?" Penney said.

Asked whether it is normal to sell real estate for its assessed value rather than using a market appraisal, Penney said, "Sometimes yes, sometimes no." Government assessments can be too high for the market, he said.

Penney that he does not understand why anyone would suggest there's an appearance of impropriety in selling land to a friend he has known since she was a child.

"I really can't understand why a U.S. senator can't buy something they want just like anybody else can," he said.

Penney is a friend and former business partner with Stevens. In 1998, Stevens invested \$15,000 with Penney and other partners to develop a subdivision outside Salt Lake City. Stevens later sold his interest in the property for \$150,000, according to press accounts at the time. In 2004, Penney told a Daily News reporter that he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country. We respect him very, very much."

Last month, Penney told the Daily News that he appeared earlier this year before a federal grand jury investigating corruption charges. He wouldn't describe his testimony.

Find reporter Brandon Loomis online at adn.com/contact/bloomis or call him at 907-260-5215.

Caption:

Murkowski

Caption:

Graphic 1: Lisa Murkowski CMYK_071907.eps

Copyright (c) 2007, Anchorage Daily News

Author: BRANDON LOOMIS bloomis@adn.com Staff

Section: Main

Page: A1

Dateline: SOLDOTNA

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-778

NewsBank inc.**Access World News**

Paper: Anchorage Daily News (AK)

Title: Murkowski defends price paid for parcel -

ETHICS: Watchdog groups say purchase constitutes an illegal gift to a politician.

Date: July 20, 2007

U.S. Sen. Lisa Murkowski said Thursday she believes she followed the rules when she bought Kenai River property from a friend and political supporter, but national watchdog groups said disclosure of the price raises new questions.

A former Pennsylvania prosecutor now chairing the anti-corruption National Legal and Policy Center said Murkowski's purchase from real estate developer Bob Penney for the borough's assessed value of the property constitutes an illegal gift to the senator. Ken Boehm said he is considering filing a complaint with the Senate Select Committee on Ethics and the U.S. Justice Department.

"You have two grown-ups who know what this piece of property is worth, and they picked a sales price that's not what it's worth," Boehm said.

Murkowski, a Republican and Alaska's junior senator, said Thursday that she believed she paid a fair price, \$179,400, for 1.27 acres next to Penney's riverfront home. That was the assessed value in January 2006. The sale went through on Dec. 29, and in the new year the Kenai Peninsula Borough reassessed the property at \$214,900.

"By law in the state of Alaska, the municipalities are required to base their assessment on the fair market price," Murkowski said. "That's what our statute says. What we went off of, what we utilized as our transaction price, was the price that had been set by the municipality."

The borough sets an assessed value to determine property taxes, and state law requires it to reflect the "full and true value" as of Jan. 1 each year. That value is defined as "the estimated price that the property would bring in an open market" when the buyer and seller are familiar with local price trends.

Real estate professionals on the Peninsula and beyond say sellers sometimes base property price on the assessed value, though they are not an accurate reflection of values in areas where prices are escalating rapidly. Kenai River lots have steadily increased in value, and the assessed value on the lot in question has more than quadrupled since 2001.

Little property on the world-class salmon river is available, and what has gone on the market rapidly rises in value, said Judy Cloud, a Kenai agent and president of the Alaska Association of Realtors. "If you are able to get it at assessed value, that's a wonderful thing," she said.

Cloud said such transactions happen at times, especially between friends, and if she had been in Murkowski's place she would have bought the land. She said it's unfortunate for Murkowski that she has a high profile and the deal is under scrutiny.

"If I had been offered that deal I probably would have taken it too," she said. "A person would be pretty silly not to if they were offered something like that."

PRICES UP TO THE OWNER

Art Clark, a broker and president of the Anchorage Board of Realtors, said he advises clients not to base prices on assessed values. Assessments don't generally reflect actual values, especially where prices are either rising or declining, he said.

"Assessed value in my estimation here in Anchorage is given marginal consideration. The actual value of the property is going to be above or below that, sometimes 10 to 20 percent," Clark said.

"I try to discourage people from looking too closely at assessed value when they're making a decision about what to ask or what to offer."

But a Peninsula land developer, Buzz Kyllonen in Anchor Point, said he sometimes sells at or below assessed value, because the borough's estimates can be high.

"I've been selling a lot of property in Anchor Point," Kyllonen said. "At one time I said, 'Hey, if the borough would give me what the assessed value was I'd be thrilled to sell it.'"

Kenai Peninsula Borough Assessor Shane Horan was away from his office this week and did not return phone calls.

FBI - Stevens-779

Prices should be up to the property owner, Kyllonen said, and it seems unfair to him that Murkowski and husband Verne Martell face criticism for the deal.

"They've been friends with Penney for years and years and years, and he probably said, 'I'll sell for a whole lot less than I would somebody walking down the street,'"

Penney said Wednesday that the land had not been for sale but he offered it because he wanted Murkowski and her family as neighbors. On Thursday Murkowski reiterated that they were old friends.

"I bought the property from a friend that I think I have known since I was probably 5," she said. "It was before elementary school, let's put it that way. My husband knew him before he knew me. So we go back a long way."

She said the family sold its house in Anchorage because her sons will be leaving for school and she and her husband wanted to be on the Kenai, a river whose salmon first drew Martell to Alaska. When she mentioned that to Penney, she said, he offered the lot.

"And I remember saying, 'Oh yeah, but I can't buy a lot from you. I know you,'" she said. "And he said, 'Lisa, you know everybody in the state.'"

ETHICS QUESTIONED

Boehm said Senate ethics rules ban giving senators anything of value, and in this case there appears to be a gift of equity in the property. "Presumably she could turn around and sell it for \$250,000 or \$350,000," he said.

He also said the Ethics of Government Act requires disclosing transactions on annual senators' annual financial reports, and Murkowski didn't. She reported a mortgage as one of her financial liabilities, but did not report the transaction price.

Murkowski said she erred in not checking a box to note the value of transactions but has since corrected the oversight.

The sale was first reported Monday on a national political Web site. Murkowski and Penney initially declined to talk about it, but on Wednesday -- with the sale getting attention on local talk radio, with hosts and callers alternately hammering Murkowski and defending her -- the senator and Penney disclosed the details.

Keith Ashdown of Taxpayers for Common Sense has investigated the sale, even sending a staffer from Washington to Alaska to attempt to learn the price last month. His interest is in how gifts from influential donors affect government spending. Until now he and others concerned about corruption had not focused on Murkowski, he said.

"You have to give them the benefit of the doubt, but you have to make sure there's a robust review of the facts," Ashdown said. "Right now it doesn't look good for the senator."

Brandon Loomis reported from Soldotna and can be reached at bloomis@adn.com. Erika Bolstad reported from Washington and can be reached at ebolstad@adn.com.

ONLINE: View Sen. Murkowski's 2006 financial disclosure.

adn.com/politics

Caption:

Illustrated by Ron Engstrom

ILLUSTRATION SHOWS MAP OF PROPERTY LOCATION

Caption:

Photo 1: 20SenMurkowski_KenaiPro.2_072007.jpg

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-780

Author: BRANDON LOOMIS and ERIKA BOLSTAD Daily News reporters Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

NewsBank inc.

Access World News

Paper: Anchorage Daily News (AK)

Title: Power plant idea counts on big break -

PROPERTY TAX: Marlow wants to avoid and defer city payments to revive Ship Creek project.

Date: July 24, 2007

Developer Marc Marlow wants to restart a mothballed downtown power plant and says he needs a property tax break that could be worth \$6 million to make it happen.

The Anchorage Assembly expects to hear Marlow make his pitch tonight. The developer, who rebuilt the Mac-Kay building a few years ago and talks of building a power plant in the Palmer fairgrounds too, said he could have the Knik Arm Power Plant near Ship Creek generating power and heat for local buildings by 2010.

But that's only if the city will let him avoid paying taxes on the property for the next 10 years and lets him defer tax payments for the five years after that.

How much would he save? Marlow said Monday it depends on what kind of contract he could get with a power utility -- he plans to negotiate with Chugach Electric Association -- to buy the electricity.

The city's chief financial officer, Jeff Sinz, said Monday that according to Marlow's own estimates, the tax exemption could save him \$3.8 million over 10 years. Sinz said the tax deferral could save Marlow up to another \$2.2 million, according to the developers' numbers.

Typically, when one person doesn't have to pay property taxes, it means other people cover the bill. It's up to the Assembly to decide if a tax exemption for Marlow make sense for the city.

"The special tax treatment being requested could be viewed as an investment being made by the taxpayers of the municipality," Sinz said.

Marlow says his project will only save people money over time because it would boost development and property values in Ship Creek.

"For the average taxpayer, this exemption will actually lower their tax bill, lower their electric energy rates," he said.

"I WROTE THE LAW"

The power plant was built more than 50 years ago as a coal-fired plant, and it last produced electricity in the mid-1980s. Marlow bought it in 1999, and he's been trying to fire it back up ever since.

It is considered a "deteriorated property" by the city. That means it's eligible for a special tax break for someone who plans to spruce it up.

Marlow's tax request first went to Sinz. But Sinz said the financial plans and paperwork Marlow gave him are incomplete and don't give enough information to tell if the project would be a good deal for the city.

As a result, he declined to recommend to the Assembly or mayor whether Marlow should get the exemption.

Now, Marlow -- who says Sinz is asking too much -- is taking his case directly to the Assembly. He says he knows how the tax exemption is supposed to work because he's the one who lobbied for the laws that make it possible.

"I wrote the law. I walked it to Juneau, I got it passed," he told Assembly members at a meeting last week.

In Anchorage, the Assembly can label a property as "deteriorated" -- and eligible for tax breaks -- if it has been condemned, if there are old buildings on it that have been demolished or if it is "in a deteriorating or deteriorated area," according to city code.

Only two properties have ever received such a tax break.

The first was another Marlow project: Redevelopment of the old MacKay building downtown. Once infamous for being ugly and empty, the building is now an apartment house called McKinley Tower.

The Assembly approved the second tax break, requested by Cook Inlet Housing Authority, in May. It exempts property taxes on a new 80-unit housing development in Muldoon for 10 years.

FBI - Stevens-781

The exemption is worth an estimated \$506,000 in taxes, according to the city. Assembly members who voted for it said it would help offer more low-income housing in Anchorage and redevelop a former trailer park.

Only Assembly vice chair Debbie Ossiander, who represents Chugiak and Eagle River, voted against the break. She said that by the time the exemption passed, the property was no longer a trailer court and that she didn't think it was "deteriorated" anymore. She said she's hesitant to cut taxes for Marlow's project too.

"If you reduce somebody's property tax, everybody else has to pay for it, at some point."

HEAT AND POWER

The power plant project is in downtown Assemblyman Allan Tesche's district. Tesche said Monday that he wants to hear more from Marlow and from Sinz, but said: "I want to see that building used productively, in some fashion, and I want to see it on the tax rolls worth a lot more."

"I want to see it rebuilt for some useful purpose," Tesche said.

The power plant has been dormant since 1985, Marlow said. He plans to restart it as a 130-megawatt, gas-fired power plant. Heat generated by the plant could be piped to other buildings and used, for example, to heat the McKinley Tower, he said.

As for who might buy all the electricity, a state regulatory commission recently told Chugach Electric that it has to start negotiations with Marlow whether it wants to or not.

"What we're interested in is providing low cost power to customers, so we're certainly willing to listen," said Chugach spokesman Phil Steyer.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

Caption:

Developer Marc Marlow says his project will save people money over time because it would boost development and property values in Ship Creek.

Caption:

Graphic 1: marc_marlow_072407.eps

Copyright (c) 2007, Anchorage Daily News

Author: KYLE HOPKINS khopkins@adn.com Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-782

National Legal and Policy Center

"promoting ethics in public life"



Board of Directors
Ken Boehm, Chairman
Peter Flaherty, President
Kate Hinton
Meghan Jannotta
David Wilkinson

Founded 1991

July 24, 2007

The Honorable Barbara Boxer, Chairman
The Honorable John Cornyn, Vice Chairman
Select Committee on Ethics
U.S. Senate
Room 220, Senate Hart Office Building
Washington, D.C. 20510

VIA FAX (202) 224-7416 & Certified Mail #7005 1160 0004 8557-8744

Re: Request for an Investigation of Senator Lisa Murkowski's Land Deal

Dear Chairman Boxer and Vice Chairman Cornyn:

The National Legal and Policy Center (NLPC), a non-profit, non-partisan organization which promotes ethics and accountability in government and public life, requests that you begin an investigation into the facts and circumstances of a December 2006 land transaction undertaken by Sen. Lisa Murkowski as well as her subsequent failure to properly disclose the transaction in her 2006 Financial Disclosure Report. NLPC brings this complaint pursuant to the provisions of the Senate Ethics Manual, Appendix C, Part II, Rule 2, "Procedures for Complaints, Allegations, or Information."

The facts of the case are available from the public record, chiefly media accounts and publicly available records. All such sources are cited and some are attached as exhibits.

During December 2006, Sen. Lisa Murkowski and her husband purchased a 1.27-acre vacant parcel of land from real estate developer Bob Penney.¹ Mr. Penney is a longtime family friend of and political contributor to Sen. Murkowski. The property is situated on the banks of the Kenai River, an area with rapidly appreciating real estate values.

¹ "Sen. Murkowski involved in questionable land deal," Associated Press, July 19, 2007; information from KTUU-TV, <http://www.ktuu.com>

107 Park Washington Court • Falls Church, VA • 22046
703-237-1970 • fax 703-237-2090 • www.nlpc.org

FBI - Stevens-783

194A-AN-13620-m;391

On May 14, 2007, Sen. Murkowski filed her Financial Disclosure Report covering the year 2006, as required by the Ethics in Government Act of 1978.² (2006 Financial Disclosure Report attached as Exhibit A) The Report failed to disclose the real estate transaction under Part IV, "Transactions." The Transaction page instructs filers to

"Report any purchase, sale, or exchange by you, your spouse, or dependent child during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000." (Exhibit A at page 8)

Under Schedule Part VII, "Liabilities," Sen. Murkowski disclosed that First Bank was a creditor with respect to a "mortgage on undeveloped land." The "Date Incurred" column was filled in with "11/0" (sic). The "Term if Applicable" column was filled in "15-year." The "Category of Amount of Value" columns, which require those using the Report to pick a range of dollar values within which the proper response fits was left blank. (Exhibit A at page 9)

On July 16, 2007, Laura McGann of TPM Muckraker.com, a popular Internet site specializing in coverage of political corruption issues, ran an article about the land deal.³ The article stated that real estate developer Bob Penney, who had testified before a grand jury regarding his relationship with Sen. Ted Stevens (R-AK), was now in a financial relationship with Alaska's other senator, Lisa Murkowski. The article disclosed the land deal involving the prime piece of riverfront property between Penney and Murkowski but stated that the purchase price was not disclosed in the senator's 2006 Financial Disclosure Report.

Both Penney and Sen. Murkowski's office refused to disclose the sale price to reporter Laura McGann. In a phone interview, Penney was quite blunt:

"Why should I tell you?" Penney said. I have sold millions of dollars worth of property. I consider that a private transaction."

Adding context to the transaction, the story cited the fact that Penney was a business partner of Sen. Stevens in a Utah land deal that "turned a \$15,000 investment into \$100,000 for the senator."⁴ Other news articles state that the \$15,000 Utah land deal Stevens made with Penney was even more profitable with Stevens ultimately selling his share for \$150,000. Equally notable was the reason Penney allowed Stevens in on such an especially lucrative deal:

² Pub. L. No. 95-521, 92 Stat. 1824 (Oct. 26, 1978).

³ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>.

⁴ Id.; See also "Stevens-Penney venture pays well, at least on paper; Development: Utah project cost senator \$15,000; now it's worth at least \$100,000," by Liz Ruskin, Anchorage Daily News, June 21, 2004, page A1.

In 2004, Stevens told a *Daily News* reporter that he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country."⁵

The July 16, 2007 TPM Muckraker article also cited the fact that Stevens and Penney

"...own stakes in a racehorse with former Veco executive Bill Allen, who recently pleaded guilty to federal bribery and conspiracy charges in a cash-for-votes scheme involving state lawmakers."⁶

Despite the refusal of both Penney and Murkowski to disclose the sale price for the land, the local media quickly learned that the sale price was the same as the previous year's assessment from the Kenai Peninsula Borough, \$179,400.⁷ The media also reported that the most recent assessment for the land was \$214,900.⁸ Indeed, the assessment of \$214,900 came just three days after the sale of the property.⁹

Notably, the media quickly learned that the actual value of the property appeared to be significantly higher:

- Jason Moore of KTUU-TV reported on a July 18, 2007 broadcast that Martin Radvansky, owner of Soldatna Realty, said that an examination of the Multiple Listing Service since January 2006 found similar lots selling for between \$250,000 and \$350,000.¹⁰
- Another Soldatna real-estate broker, Linda Lane of the Ron Moore Co., told Brandon Loomis of the *Anchorage Daily News* that riverfront properties typically sell for more than the borough's assessed value and that a sale price of \$179,000 would generally be low for a parcel on the Kenai River of the size of Penney's lot.¹¹
- Laura McGann of TPM Muckraker also found real estate agents in the area

⁵ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400 draws questions and criticism," by Brandon Loomis, Anchorage Daily News, July 19, 2007.

⁶ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>

⁷ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400 draws questions and criticism," by Brandon Loomis, Anchorage Daily News, July 19, 2007.

⁸ *Id.*

⁹ "Sen. Murkowski defends price paid for Kenai land," by Brandon Loomis and Erika Bolstad, Anchorage Daily News, July 20, 2007.

¹⁰ "Murkowski land deal questioned," by Jason Moore, July 18, 2007, <http://www.ktuu.com/Global/story.asp?S=6810012>

¹¹ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400 draws questions and criticism," by Brandon Loomis, Anchorage Daily News, July 19, 2007.

telling her that the assessed value of \$214,000 was well below what Penney could have gotten had he sold the property on the open market.¹²

- An *Anchorage Daily News* article on July 20, 2007 interviewed Judy Cloud, a Kenai realtor and president of the Alaska Association of Realtors, and quoted her as saying little property on the world-class salmon river is available and when property does go on the market, it increases rapidly in value. "If you are able to get it at assessed value, that's a wonderful thing," she said.¹³
- Only one Kenai riverfront parcel is currently for sale. The asking price is \$399,000 and it's only an acre which makes it smaller than the Murkowski property.

In an editorial, "Lisa's Deal," the *Anchorage Daily News* weighed in with this commentary:

Three days after the borough recorded the Murkowskis' purchase, the assessed value went up to \$214,900. So right off the bat, it looks like she got a discount of 20 percent.

In fact, her friendly political discount was probably far bigger. The online real estate listing service for Alaska has one Kenai riverfront lot. The parcel is only an acre – a quarter of an acre less than Sen. Murkowski's – but the asking price is \$399,000. Per acre, that is almost three times what the senator paid for hers.¹⁴

Bob Penney appeared ignorant at reports of the value of the land deal as contrasted with the sale price:

"Word of honor, I did not know what the assessed value was," he said. "I thought it was still \$120,000."¹⁵

Penney's professed surprise at the value was underscored by his exclamation:

"Who the hell would ever think it would jump like that?," Penney said.¹⁶

¹² "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>

¹³ "Sen. Murkowski defends price paid for Kenai land," by Brandon Loomis and Erika Bolstad, *Anchorage Daily News*, July 20, 2007.

¹⁴ "Lisa's Deal," *Anchorage Daily News*, July 19, 2007.

¹⁵ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400 draws questions and criticism," by Brandon Loomis, *Anchorage Daily News*, July 19, 2007.

¹⁶ *Id.*

This claim by a multimillionaire real estate developer that he did not know the value of land that he owned right next to his own home on the Kenai River was not considered as very credible by those in the media following the story. Laura McGann, the TPMuckraker reporter who broke the story, located an audio tape of Bob Penney testifying at a hearing on the economic impact of sport fishing. McGann wrote that Penney "seemed much more familiar with assessments in the area." The audio tape statement by Penney appears to show a real estate developer who is extremely well-informed about land values on the Kenai River:

The economic value of the land along the Kenai River privately held from Skilak to Ames bridge; three years ago the assessed value to the borough of only the privately owned land was three hundred and thirty-five million dollars. As Mr. Busey just said to you, it's increased since then. Now, I know it's well over five-hundred, but we haven't seen what the borough's assessed it. But gentlemen and ma'm, all that assessment in value came from one reason; cause there's fish in the river. And you put the fish in the river, and you put the fish in the inlet, and you give the opportunity for the public you'll see the economic engine run hard.¹⁷

The McGann article also undercut Penney's "word of honor" statement that he thought the assessment was just \$120,000 by reporting that, "...Penney would have received notice of the new \$179,400 assessment in March 2006, some nine months before he sold the property to Murkowski."¹⁸

The questionable land deal appears to have even made Sen. Murkowski nervous as it was being done. In an interview with local radio talk show host Rick Rydell, Sen. Murkowski's husband, Verne Martell, referred to his wife's reservations as to the deal as follows:

"But, yeah, when we signed the loan, Lisa signed on it and said, you know, 'This might come back and bite us. Well, you know, we'll deal with that when it comes,'" Martell said.¹⁹

The ethical questions regarding the controversial land deal between the real estate developer and the senator do not end with the issues as to whether the sale price constituted a sweetheart deal between an elected official and a developer known to have made another senator richer with a land deal. Also raising ethical issues is the financing Sen. Murkowski obtained for the land deal.

¹⁷ "Penney told a different story at sport fishing hearing," by Laura McGann, <http://www.tpmuckraker.com/archives/003740.php>, July 20, 2007

¹⁸ *Id.*

¹⁹ "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, <http://www.tpmuckraker.com/archives/003647.php>

Jason Moore of KTUU-TV reported on July 20, 2007 about an unusual feature of the loan: it has a January 1, 2046 maturity date making it a 39-year loan. When KTUU-TV questioned First Bank about its policies for undeveloped land loans, the bank told them that the standard loan for undeveloped property had a maximum seven-year maturity.

Sen. Murkowski's 2006 Financial Disclosure Report (under Part VII, "Liabilities") stated that the term of the loan was "15-yr."²⁰

It appears that Sen. Murkowski received a loan with terms and conditions not available generally to the public and then misrepresented the term on her Financial Disclosure Report as being fifteen years instead of thirty-nine years.

One possible reason that Sen. Murkowski obtained financing from First Bank in Ketchikan as opposed to a bank closer to the property appears to be that she once served on First Bank's board of directors, her sister currently does, her father (former governor Frank Murkowski) once sat on the board, and her grandfather had been bank president many years ago.²¹

When I was questioned about the apparently favorable conditions of the bank loan by Mr. Moore for the story, my response was:

"There's one legal issue here and the legal issue is: did the senator get terms and conditions on her financial transaction that are not available generally to the public? If she did, then it could be a violation of the gift rule the Senate has," said Ken Boehm, National Legal and Policy Center."²²

Apparent Omissions and Misrepresentations on Sen. Murkowski's 2006 Financial Disclosure Report

Financial Disclosure Reports are required to be filed by all Members of Congress pursuant to the Ethics in Government Act of 1978, Pub. L. No. 95-521, 92 Stat. 1824 (Oct. 26, 1978). The Statute provides that the Attorney General may seek a civil penalty of up to \$11,000 against any individual who knowingly and willfully falsifies or fails to file or report any information required by the Act (5 U.S.C. app. 4, §104).

The first Financial Disclosure Report issue is whether Sen. Murkowski was required to disclose her purchase of land from Bob Penney on her 2006 Financial Disclosure Report.

²⁰ Exhibit A, at page 9.

²¹ "Senator defends land purchase," by Jason Moore, July 20, 2007, <http://www.ktuu.com/Global/story.asp?S=6820560>

²² *Id.*

Sen. Murkowski appears to take the position that the land deal was somehow exempt from disclosure because it was to be maintained for recreational or personal reasons. The following is from the initial article on this story:

Murkowski's office called the purchase exempt from Senate financial disclosure, citing a clause in the ethics manual which says "property which is held or maintained solely for recreational or personal reasons does not have to be reported."²³

The problem with that citation to the Senate Ethics Manual is that it is taken from the section on the reporting of assets.²⁴

Sen. Murkowski failed to disclose the purchase of the land under Part IV, "Transactions" of her 2006 Financial Disclosure Report.²⁵ The definition of transactions to be disclosed has no exemption for real property to be used for recreational or personal reasons. The requirement for the disclosure of transactions is taken directly from federal law.²⁶ The Senate Ethics Manual states the rule succinctly:

Senate Members, officers and employees must include in the Report a brief description, the date, and the category of value of any purchase, sale, or exchange of real property, stocks, bonds, excepted investment fund (e.g., mutual fund) shares, commodities futures, or other forms of securities (including trust assets) that exceeds \$1,000. The category of value to be reported is the total purchase or sale price (or the fair market value in the case of an exchange), regardless of any capital gain or loss on the transaction.²⁷

There are no exceptions to the reporting requirements for transactions for land held for recreational or personal purposes in either the Senate Ethics Manual or the instructional manual for filing the Financial Disclosure Reports.²⁸

The second Financial Disclosure Report issue is whether Sen. Murkowski correctly and fully disclosed all necessary information regarding her financing of the land deal under Part VII, "liabilities" of her 2006 Financial Disclosure Report.

There are three distinct issues regarding the liability information disclosed:

²³ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>.

²⁴ "Types of Assets and Unearned Income Sources," Senate Ethics Manual, 108th Congress, 1st Session, 2003 Edition, pages 130-131

²⁵ Exhibit A, at page 8.

²⁶ 5 U.S.C., app. § 102(a)(5)

²⁷ "Part IV: Transactions," Senate Ethics Manual, 108th Congress, 1st Session, 2003 Edition, page 133.

²⁸ Instructions: Public Financial Disclosure Report for the United States Senate, at page 14

- **Date Incurred** - the filing was "11/0" which maybe a typo but certainly is not a date
- **Term if Applicable** – the filing was "15-yr" despite the fact that the maturity date on the financing records indicate a maturity date of January 1, 2046 which would indicate a 39-year term, not a 15-year term.²⁹ As KYUU-TV reported that First Bank had a maximum seven-year maturity date for loans for undeveloped land and senators are precluded under Senate Rule 35 (supra) from obtaining loans on conditions not available to the general public, misrepresenting the actual term of the loan may appear to be an attempt to hide the questionable special financing obtained by a senator on an otherwise questionable land deal.³⁰
- **Category of Amount of Value** – Sen. Murkowski was required to disclose the purchase price for the land within a series of categories of amount of value as part of her Part VII "Liabilities" disclosure. She failed to check any category.³¹ If the purpose of this omission was to hide the purchase price, it is certainly consistent with her failure to disclose sale price information under "Transactions" and her refusal (along with Mr. Penney's) to disclose the sale price when first asked by reporter Laura McGann. It appears that Sen. Murkowski was sensitive to the fact that she had purchased a valuable property for significantly below its true market value from a controversial real estate developer whose previous real estate venture with Alaska's other senator had brought a very critical reaction from the media and the public. Such sensitivity is consistent with Verne Martell's candid remark that his wife was concerned the land deal might "come back and bite us."³²

Apparent Violations Of the Senate's Gift Rule

The gravamen of this complaint is that a U.S. Senator purchased a valuable riverfront property for significantly less than its market value.

Senate Rule 35, paragraph 1(a)(1) of the Senate Code of Official Conduct provides that:

No Member, officer or employee of the Senate shall knowingly accept a gift except as provided in this rule.³³

²⁹ "Senator defends land purchase," by Jason Moore, July 20, 2007, <http://www.ktuu.com/Global/story.asp?S=6820560>

³⁰ *Id.*

³¹ Exhibit A, at page 9.

³² "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, <http://www.tpinmuckraker.com/archives/003647.php>

³³ Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 22.

Under Senate Rule 35, paragraph 2(b)(1) the word "gift" is construed very broadly and includes any "item having monetary value."³⁴ There is no doubt that equity in property has "monetary value" nor is there any doubt that special loan terms not available to the public also has "monetary value" within the meaning of Senate Rule 35.

The facts in this case are clear. Sen. Murkowski purchased a very desirable riverfront property from Bob Penney at a price that appears significantly below the fair market value for the property. From the statements of realtors cited earlier who are very familiar with the Kenai River area we know that comparable properties of a similar size in the area sold since early 2006 sold for between \$250,000 and \$350,000. Those prices represent a range of value of \$70,600 to \$170,600 over the \$179,400 paid to Bob Penney from Sen. Murkowski. In effect, there is a gift of equity worth \$70,600 to \$170,600 to a United States Senator.

In any factual situation, the context often helps clarify the meaning of the facts. The context here is especially helpful. Consider the following questions:

Did Mr. Penney offer Sen. Murkowski a sweetheart land deal because of her position as a U.S. Senator?

The Senate Ethics Manual addresses this type of situation in a straightforward way by stating:

One should always be wary of accepting any gift, favor, or benefit that may not be offered "but for" one's position in the Senate.³⁵

In this case, Mr. Penney did not offer the property to sale to the general public but rather to Sen. Murkowski exclusively at a price well below what most knowledgeable realtors in the area felt such a parcel might fetch.

We don't have to wonder whether Mr. Penney is the type of person to offer an incredibly lucrative land deal to a senator because this is not the first time he has done so. In an Associated Press story, "Stevens investment grows at least 566 percent," the lead sentence sums up how a land deal offered by Penney to Sen. Stevens turned out;

Sen. Ted Stevens has turned a \$15,000 investment into at least \$100,000, and perhaps as much as \$250,000.³⁶

Penney left little doubt that the sweetheart land deal he offered Sen. Stevens was linked to the senator's position when he told a reporter that he invited Stevens into the deal in "appreciation for all he's done for Alaska and the country."³⁷

³⁴ Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 25.

³⁵ Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 22.

³⁶ "Stevens investment grows at least 566%," Associated Press, June 21, 2004

³⁷ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400

Mr. Penney's generosity to U.S. Senators does not end there. An *Anchorage Daily News* story from February 2007 recounts how Sen. Stevens was a repeated guest at The Golden Horn Lodge, an expensive Bristol Bay resort. Bob Penney was one of the four owners of the lodge when Sen. Stevens was staying there free of charge. When it was disclosed that Stevens had not paid, he quickly sent checks to cover his visits there in 2001 and 2003.³⁸

As previously noted, Stevens was also a business partner with Sen. Stevens in a racehorse along with former Veco executive Bill Allen, "who recently pleaded guilty to Federal bribery and conspiracy charges in a cash-for-votes scheme involving state lawmakers."³⁹

Additionally, Bob Penney was subpoenaed to testify recently before the grand jury which is part of an expanding federal investigation in political corruption in Alaska.⁴⁰

There appears to be very little doubt that Mr. Penney offered the valuable riverfront property to Sen. Murkowski at a price significantly below its market price precisely because of her position as a U.S. Senator.

Did Mr. Penney and Sen. Murkowski seek to hide their knowledge of the true value of the land?

Sen. Murkowski's failure to disclose the land transaction on her Financial Disclosure Report has already been reviewed.

Add to that, the fact that both she and Mr. Penney initially refused to tell reporters the sale price with Penney, going so far as to say "Why should I tell you?"⁴¹

The denial of knowledge of the value of a prime piece of real estate by a multi-millionaire developer who lived next to the property and an attorney/real estate investor turned U.S. Senator took on comic opera overtones when Penney told the press:

"Word of honor, I did not know what the assessed value was," he said. "I thought it was still \$120,000."

As noted, Penney had testified before a state hearing just months before about the surging property values along the Kenai River and had specifically noted that the value of

draws questions and criticism," by Brandon Loomis, *Anchorage Daily News*, July 19, 2007.

³⁸ "An invited guest, Stevens pays costs; Fishing Lodge: Senator pays bills from '01 and '03 to resolve any questions," by Lisa Demer, *Anchorage Daily News*, Feb. 11, 2007, page B1.

³⁹ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>

⁴⁰ "Justice Expands Stevens Investigation," by Matt Apuzzo, Associated Press, June 18, 2007.

⁴¹ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>

privately owned land had escalated from three hundred and thirty-five million dollars to "well over five hundred" in just three years.⁴² And the Kenai borough assessment showing the assessed value to be well over the \$120,000 assessed value which Penney was citing was sent out to him in March 2006.⁴³

For her part, Sen. Murkowski claims -- without any specific evidence -- that she paid fair market value for the property.⁴⁴

Again, the local media has done an excellent job of digging out and analyzing the facts. Here's the *Anchorage Daily News* assessment of Murkowski's claims:

In the Kenai River land sale, Sen. Murkowski "paid what she thought was a fair price for it at the time, based on what the borough said it was worth," according to Murkowski spokesman Sweeney.

That defense just doesn't wash. It's well known at the Kenai borough that its assessments lag behind market prices. Anyone who sells Kenai River real estate at the assessed value is either a fool or doing somebody a favor. Anyone who buys it at assessed value knows -- or should know -- she is getting a sweet deal.

When discussions about the price of this deal began, Sen. Murkowski should have offered to pay the going rate. Instead, she accepted a personal favor worth tens of thousands of dollars.⁴⁵

Were the terms of Sen. Murkowski's First Bank loan available to the general public?

On its face, a senator purchasing a prime piece of property for substantially less than its market value -- especially when the sales offer was made exclusively to her and not the general public -- constitutes a violation of the Senate Gift Rule. But it is not the only apparent violation of the rule in this case.

Just as Sen. Murkowski failed to properly disclose the sale price of the land, she also failed to properly disclose the terms of her loan from First Bank for the financing of the land deal.

FBI - Stevens-793

⁴² "Penney told a different story at sport fishing hearing," by Laura McGann, <http://www.tpmuckraker.com/archives/003740.php>, July 20, 2007

⁴³ *Id.*

⁴⁴ "Murkowski knew land deal was questionable," by Jason Moore, July 24, 2007, <http://www.ktuu.com/global/category.asp?c=81466>

⁴⁵ "Lisa's Deal," *Anchorage Daily News*, July 19, 2007.

The definition of "gift" in the Senate Ethics Manual defines gift broadly as "anything of value" and it specifically lists loans as a possible gift.⁴⁶

Since loans have historically been used to facilitate corrupt relationships between elected officials and those seeking special favors,⁴⁷ loans are subject to scrutiny as possible violations of Senate Rule 35, the Gift Rule, when they appear to single elected officials out for special terms and conditions not available to the general public.

In this case, Sen. Murkowski received a loan from First Bank for undeveloped property with a stated maturity date of January 1, 2046, indicating a 39-year term.⁴⁸

First Bank's makes loans for undeveloped property available only with a maximum seven-year maturity.⁴⁹

It appears that Sen. Murkowski received loan terms not available to the general public.

Rule 35, paragraph 1(c)(19)(E) permits Members, officers and employees to accept opportunities and benefits that are available to a wide group, specifically stating that they may accept "loans from banks and other financial institutions on terms general available to the public."⁵⁰

As a former director of First Bank, Sen. Murkowski must be presumed to be familiar with the bank's policies for loans and must have known that a 39-year term was 32 years longer than the maximum term length available to the general public.

Perhaps even more telling is the fact that Sen. Murkowski then falsely reported on her 2006 Financial Disclosure Report that the term of the loan was 15 years.

It is also telling that her husband reported the following statement from his wife *when she signed the loan*:

"But, yeah, when we signed the loan, Lisa signed on it and said, you know, 'This might come back and bite us. Well, you know, we'll deal with that when it comes,'" Martell said.⁵¹

⁴⁶ Senate Rule 35, paragraph 2(b)(1)

⁴⁷ "Justice Dept. rebuts Rep. Hansen of Idaho," *The New York Times*, Nov. 9, 1984; Rep. Hansen was convicted in April 1984 of failing to report \$333,978 in loans on his annual financial disclosure report.

⁴⁸ "Senator defends land purchase," by Jason Moore, July 20, 2007, <http://www.ktuu.com/Global/story.asp?S=6820560>

⁴⁹ *Id.*

⁵⁰ Senate Ethics Manual at 40.

⁵¹ "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, <http://www.tpmuckraker.com/archives/003647.php>

These facts all combine to present a picture of a Senator with a background as a bank director knowingly obtaining a loan with a term far beyond the maximum term available to the public and then misrepresenting the term on her financial disclosure report by falsely stating the term as 15 years instead of 39 years.

While there is no indication that Sen. Murkowski used her position as a U.S. Senator to improperly favor the bank, the acceptance of a loan on terms not available to the general public certainly creates just the type of appearance of impropriety that the Senate Gift Rule was enacted to prevent.

The facts in this case are so strong that it is hard to imagine a more compelling case for violation of the Senate Gift Rule.

- A multi-millionaire real estate developer with a penchant for helping elected officials financially has sold a property to a senator at a price far below its market value.
- The property is next to his home and there is an audiotape of the same developer just months before the transaction stating how quickly the land in the very area of the transaction is appreciating.
- The developer denies knowing what the assessed value of the property was.
- Both the developer and the senator initially refuse to divulge the sale price.
- The senator fails to disclose the real estate transaction on her financial disclosure.
- The senator misrepresents the term of her financing while failing to disclose the financing amount, as required by the Ethics in Government Act.
- The senator tells her husband at the time of the deal, "This might come back and bite us."

Finally, the senator's husband is quoted as telling the media that they have started clearing the land to build on the property but the clearing has stalled because the couple expects a Senate ethics investigation.⁵²

As Sen. Sam Ervin used to say, "Sometimes things are what they look like." This case looks like improper gifts being covered up with explanations so weak as to be

⁵² "Murkowski knew land deal was questionable," by Jason Moore, July 24, 2007, <http://www.ktuu.com/global/category.asp?c=81466>

laughable and misrepresentations and omissions on a Financial Disclosure Report to hide the transaction from the public.

The National Legal and Policy Center requests that the Senate Select Committee on Ethics conduct a thorough investigation into the matters set forth herein and take all appropriate disciplinary action.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kenneth F. Boehm".

Kenneth F. Boehm
Chairman

Attachment: 2006 Financial Disclosure Report for Sen. Lisa Murkowski

FBI - Stevens-796

EXHIBIT A

2006 Financial Disclosure Report
of
Sen. Lisa Murkowski

FBI - Stevens-797

UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Full Name BURKOWSKI	First Name and Middle Initial LISA	Annual Report Calendar Year Covered by Report: 2006	Senate Office / Agency in Which Employed UNITED STATES SENATE
Senate Office Address (Number, Street, City, State, and ZIP Code) SH-709, WASHINGTON, DC 20510	Senate Office Telephone Number (include Area Code) 202-224-6665	Termination Report Termination Date (mm/dd/yyyy):	Post Office / Agency in Which Employed

AFTER READING THE INSTRUCTIONS, ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART.


	YES	NO		YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? Yes, Complete and Attach PART I.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than \$305 from one source)? If Yes, Complete and Attach PART VI.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than \$200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Did you, your spouse, or dependent child have any reportable liability (more than \$10,000) during the reporting period? If Yes, Complete and Attach PART VII.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Did you, your spouse, or dependent child hold any reportable asset worth more than \$1,000 at the end of the period, or receive unearned or investment income of more than \$200 in the reporting period? If Yes, Complete & Attach PART IIIA and/or IIIB.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than \$1,000 in the reporting period? If Yes, Complete and Attach PART IV.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than \$305 and not otherwise exempt)? If Yes, Complete and Attach PART V.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	If this is your FIRST Report: Did you receive compensation of more than \$5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.	<input type="checkbox"/>	<input type="checkbox"/>

Each question must be answered and the appropriate PART attached for each YES response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. \$200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

FOR OFFICIAL USE ONLY
Do Not Write Below this Line

Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Signature of Reporting Individual 	Date (Month, Day, Year) 5/14/07
For Official Use Only - Do Not Write Below This Line		
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date (Month, Day, Year)

RECEIVED
SECRETARY OF THE SENATE
07 MAY 15 AM 11:13

A 1A



Reporting Individual's Name
BURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

2

BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which:
(1) had a value exceeding \$1,000 at the close of the reporting period; and/or
(2) generated over \$200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B Valuation of Assets

At the close of reporting period.
If None, or less than \$1,001,
Check the first column.

BLOCK C Type and Amount of Income

Type and Amount of Income

If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

		Valuation of Assets							Type and Amount of Income	
		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Type of Income	Amount of Income
									Dividends	None (or less than \$201)
									Rent	\$201 - \$1,000
									Interest	\$1,001 - \$2,500
									Capital Gains	\$2,501 - \$5,000
									Excepted Investment Fund	\$5,001 - \$15,000
									Excepted Trust	\$15,001 - \$50,000
									Qualified Blind Trust	\$50,001 - \$100,000
									Other (Specify Type)	\$100,001 - \$1,000,000
										Over \$1,000,000
										Actual Amount Required if "Other" Specified
	S, IBM Corp. (stock)			X					Example	Example
	Example: DC, (S) Keystone Fund				X				Example	Example
1	TD Waterhouse Cash		X							
2	General Electric		X							
3	State of AK Annuity Plan			X						
4	American Century Small Cap Value Investor		X							
5	Resources Trust Cash		X							
6	Masters Select Equity									
7	Allianz-RCM Global Healthcare Fund									
8	American Century Intl. Discovery Fund		X							
9	Weitz Hickory Fund		X							
10	MS Fund Op B		X							

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which:

(1) had a value exceeding \$1,000 at the close of the reporting period; and/or

(2) generated over \$200 in "unearned" income during the reporting period.

Exclude on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK 8
Valuation of Assets

At the close of reporting period.
If None, or less than \$1,001,
Check the first column.

BLOCK C
Type and Amount of Income

If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

[illegible]

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.



Reporting Individual's Name
BROOKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number
4

BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which:
(1) had a value exceeding \$1,000 at the close of the reporting period; and/or
(2) generated over \$200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B Valuation of Assets

At the close of reporting period.
If None, or less than \$1,001,
Check the first column.

BLOCK C Type and Amount of Income

If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.			Check the first column.										Type of Income										Amount of Income										Actual Amount Required If "Other" Specified
			None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	
Example: DC, or J	S, IBM Corp. (stock)				X									X							Example	X										Example	
	(S) Keystone Fund				X										X	X					Example											Example	
1	DC	T Rowe Price College Savings Plan															X																
2	DC	AK Permanent Fund Dividend		X																													
3	DC	AK Permanent Fund Dividend		X																													
4	S	AK Permanent Fund Dividend		X																													
5		AK Permanent Fund Dividend		X																													
6	DC	Wells Fargo (acct.)		X																													
7	DC	Northrim Bank (acct.)		X																													
8	S	Northrim Bank (acct.)		X																													
9		Wells Fargo (acct.)			X																		X										
10		Wells Fargo (shares)			X																												

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset was held independently by the spouse or dependent child. If the asset was either held by the filer or jointly held, use the other categories of value, as appropriate.

10

Reporting Individual's Name
BURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number
5

BLOCK A
Identity of Publicly Traded Assets And Unearned Income Sources
Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which:
(1) had a value exceeding \$1,000 at the close of the reporting period; and/or
(2) generated over \$200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B **Valuation of Assets**

At the close of reporting period.
If None, or less than \$1,001,
Check the first column.

BLOCK C **Type and Amount of Income**

If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

Report the amount of the taxable portion of the asset held by you, your spouse, or your dependent child, (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.		Check the first column.											Type of Income					Amount of Income											Actual Amount Required if "Other" Specified		
		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000		\$100,001 - \$1,000,000	\$1,000,001 - \$5,000,000
Example: DC, or J	S, IBM Corp. (stock)			X									X							Example	X										Example
	(S) Keystone Fund				X										X		X			Example											Example
1		TCW Galileo Value Op	X										X			X															
2	J	MS Dividend Growth Securities B			X																										
3		TCW Dividend Focus Fund (TGIGX)	X										X			X						X									
4	J	Fidelity Small Cap (Mutual Fund)	X																												
5	J	Johnson Bank CD (matured 06)	X												X							X									
6	DC	Fidelity Small Cap (Mutual Fund)	X													X						X									
7	DC	MS S&P 500 (Mutual Fund)	X													X															
8	DC	Fidelity Small Cap (Mutual Fund)	X													X						X									
9	DC	MS S&P 500 (Mutual Fund)	X													X															
10	J	Morgan Stanley Money Market												X																	

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.



Reporting Individual's Name
MURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number
6

BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which:
(1) had a value exceeding \$1,000 at the close of the reporting period; and/or
(2) generated over \$200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B Valuation of Assets

At the close of reporting period.
If None, or less than \$1,001,
Check the first column.

BLOCK C Type and Amount of Income

If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which:			Check the first column.										Type of Income										Amount of Income										Actual Amount Required if "Other" Specified
			None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	\$1,000,001 - \$5,000,000	Over \$5,000,000				
Example: DC, or J	S	IBM Corp. (stock)				X					X							Example	X										Example				
	(S)	Keystone Fund					X					X	X					Example											Example				
1	S	MS S&P 500	X								X																						
2																																	
3																																	
4																																	
5																																	
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.



Reporting Individual's Name
MURKOWSKI, LISA

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number
7

BLOCK A
Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding \$1,000 at the close of the reporting period; and/or

(2) generated over \$200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B
Valuation of Assets

At the close of reporting period.
If None, or less than \$1,001,
Check the first column.

BLOCK C
Type and Amount of Income

If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	BLOCK B								BLOCK C		Actual Amount Required if "Other" Specified															
	Valuation of Assets								Type of Income	Amount of Income																
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	
Example: S, JP Computer, Wash DC			X						X							Example	X									Example
Example: DC, or J Undeveloped land, Dubuque, Iowa				X												Example										Example
1 First Bank (IRA-CD)	X								X								X									
2 First Bank (acct.)			X							X								X								
3 First Bank (shares)			X						X									X								
4																										
5																										
6																										
7																										
8																										
9																										
10																										

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.



Reporting Individual's Name
MURKOWSKI, LISA

PART IV. TRANSACTIONS

Page Number
8

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

Identification of Assets			Transaction Type (x)		Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)									
			Purchase	Sale		\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	Over \$25,000,000
S, Example: DC, or J	IBM Corp. (stock) NYSE		X		2/1/0X		X				X		M	P	L
	(DC) Microsoft (stock) NASDAQ/OTC			X	1/27/0X			X		X			M	P	L
1	Allianz-Rem Global Healthcare Fund			X	11/10/06	X									
2	American Century Intl. Discovery Fund			X	11/08/06	X									
3	American Century Small Cap Value Investor			X	11/08/06	X									
4	TWC Galileo Value Op			X	11/08/06	X									
5	TCW Dividend Focus Fund		X		11/09/06	X									
6	Resources Trust Cash		X		11/08/06	X									
7	Resources Trust Cash		X		11/10/06	X									
8	Resources Trust Cash		X		11/08/06	X									
9	Resources Trust Cash		X		11/08/06	X									
10															
11															
12															

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐



Reporting Individual's Name
MURKOWSKI, LISA

PART VII. LIABILITIES

Page Number
9

Report liabilities over \$10,000 owed by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions), to any one creditor at any time during the reporting period. Check the highest amount owed during the reporting period. Exclude: (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in Instructions. See Instructions for reporting revolving charge accounts.

Name of Creditor		Address	Type of Liability				\$10,000	\$15,000	\$50,000	\$100,000	\$250,000	\$500,000	Over \$1,000,000	\$1,000,000	\$5,000,000	\$25,000,000	Over \$25,000,000
S. Example: DC, or J	First District Bank	Wash., DC	Mortgage on undeveloped land	1991	13%	25 yrs.			X		E	X	A	M	P	L	E
	(J) John Jones	Wash., DC	Promissory Note	1999	10%	On demand				X	E	X	A	M	P	L	E
1	J Wells Fargo	Anchorage, AK	Mortgage on commercial property	6/99	Prime	18 yr.											
2	J First Bank	Kenai, AK	Mortgage on undeveloped land	11/0	7%	15 yr.											
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is held independently by the spouse or dependent child. If the asset is held either by the filer or jointly held, use the other categories of value, as appropriate.

☐



Reporting Individual's Name
MURKOWSKI, LISA

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Page Number
10

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

Broughton by OpenSecrets.org

Secrets of

Name of Organization		Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	National Assn. of Rock Collectors	NY,NY EXAMPLE	Non-profit education	President	6 / 90	Present
	Jones & Smith	Hometown, USA EXAMPLE	Law Firm	Partner	7 / 85	11 / 0X
1	U. S. Japan Friendship Commission	Washington, DC	Ind. Federal Agency	Member	2005	present
2	New Frontiers Ventures LLC	Anchorage, AK	Real Estate	Member	1999	present
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

Compensation in excess of \$200 from any position must be reported in Part II.

Help

ALASKA'S NEWSPAPER

alaska.com

adn.com



Search In for find

News Sports Outdoors Features Money Entertainment Opinion Blogs Multimedia Classified

Home | Alaska Newsreader | Obituaries | Archives Movies | Music | Restaurants | Submit an Event Deals Jobs Homes Cars Rentals

AP story on Young

Posted by Alaska_Politics
Posted: July 24, 2007 - 6:21 pm

The Associated Press has moved this story ...

Wall Street Journal: Rep. Young under criminal investigation
The Associated Press

U.S. Rep. Don Young is under criminal investigation, the second member of Alaska's congressional delegation to be part of a federal corruption probe, a newspaper reported.

Young is being investigated for his alleged ties to VECO Corp., the Anchorage-based company whose former top two executives -- including former CEO Bill Allen -- have pleaded guilty to bribing Alaska state lawmakers, the Wall Street Journal, citing anonymous sources, reported on its Web site late Tuesday.

Investigators are trying to determine whether Young or U.S. Sen. Ted Stevens took bribes, illegal gratuities or unreported gifts from VECO, the newspaper reported, citing only "people close to the case."

A message left by The Associated Press late Tuesday at Young's Washington, D.C., office was not immediately returned.

The Daily News could not independently verify the story.

Stevens has continually declined to comment on the corruption investigation, which involves the FBI and the U.S. Justice Department.

The Wall Street Journal said Allen held fundraisers called "the Pig Roast" for Young every August for 10 years. Public records show Young received \$157,000 from VECO employees and its political action committee between 1996 and 2006.

Young, a Republican, amended campaign-finance filings earlier this year to reflect \$38,000 in payments to Allen, the Journal reported. The refunds were labeled "fundraising costs" in documents filed with the Federal Election Commission.

Young has spent more than \$250,000 of his campaign contributions on legal services since he put a Washington, D.C., law firm on retainer this year, according to recent regulatory filings.

As part of a widening corruption probe, the FBI is looking closely at a 2000 construction project that more than doubled the size of Stevens' home in the ski resort community of Girdwood, about 40 miles south of Anchorage.

A contractor who did work on the house has said he was directed to send bills to VECO. The contractor said someone at the company would examine them for accuracy before sending them to Stevens, the longest serving Republican in Senate history.

"Federal agencies have conducted a broad ranging investigation in Alaska for almost a year. I believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said in a written statement issued last week. "I will continue this policy of not commenting on this investigation until it has concluded."

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

Allen and another former VECO executive, Rick Smith, have pleaded guilty to extortion and bribery related to their dealings with state legislators. They are said to be cooperating with investigators. No sentencing date has been set.

Alaska Politics

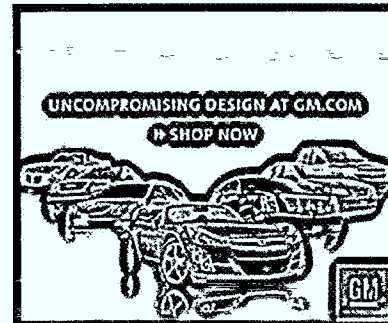
Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



Archive : The Trail 2006 campaign blog

Archive

Ethics complaint over Murkowski-Penney deal - 7/25/2007 4:24 pm
What to do with the WSJ story - 7/25/2007 3:38 pm
AP story on Young - 7/24/2007 10:21 pm
Taxes - 7/24/2007 8:55 pm
Wall Street Journal: Young under criminal investigation - 7/24/2007 7:32 pm
Tax exemption? (UPDATED) - 7/23/2007 8:40 pm
Pain headed to Kuwait - 7/23/2007 2:16 pm
'Dreaming of Alaska?' - 7/23/2007 2:15 pm
Rumbles - 7/20/2007 8:39 pm
Letter to Metcalfe - 7/20/2007 6:38 pm
City: Marlow's power plant, plus upgrading Assembly chambers - 7/20/2007 6:29 pm
(UPDATED) Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm
Murkowski in the spotlight - 7/20/2007 10:46 am
Round-up - 7/19/2007 10:06 am
What to do about homeless - 7/18/2007 3:16 pm
Roll Call on Young - 7/18/2007 10:59 am
Tesché - 7/18/2007 10:31 am
Special session and capital creep - 7/17/2007 0:14 pm
Poop update - 7/17/2007 7:54 pm
(UPDATED) AP on Stevens - 7/17/2007 6:27 pm
Wrong number - 7/17/2007 3:20 pm
Yes Keller to replace Kohring - 7/17/2007 12:54 pm
full archive »



Alaska's Top Jobs all 79 top jobs

Health Care Services
Physician
Kodiak Area Native Association
Accounting/Banking/Finance
Accounts Receivable Technician
Alutliq, LLC
Management/Professional
Corporate and Foundation Relations Manager
University of Alaska Fairbanks
Construction/Skilled/Trades
Project Manager
Company Confidential
Accounting/Banking/Finance
Accounting Manager
Company Confidential

careerbuilder

Search Jobs | Place an employment ad

FBI - Stevens-808

Three former Alaska lawmakers charged with bribery will face trial later this year.

Meanwhile, the state's junior senator, Republican Lisa Murkowski, has come under scrutiny by watchdog groups for allegedly benefiting from a questionable land deal. She and her husband purchased a prime piece of property on the banks of the Kenai River at about \$100,000 below market price. The land was purchased from the lot's adjacent neighbor and longtime Murkowski friend, Bob Penney, who also is a friend and a longtime business associate of Stevens.

Penney, who recently testified before a federal grand jury in the Stevens' investigation, said he was satisfied with the sale to Murkowski and her husband and received three times more than he paid for the property.

[add new comment](#)

11 July 25, 2007 - 2:05pm | Stags_Leap

more Lisa Murkowski problems

has anyone looked into the "finanong" of the Penney-gate land deal? She reportedly got a sweetheart 39 year mortgage from a bank. Just so happens Lisa is a former board member of this bank. A 39 year mortgage is extremely extremely rare. Banks just don't do them. So why did she get one? She is a U.S. Senator and a former board member of that bank. And this is another GIFT she should have disclosed to the FEC - which she did not.
reply »

July 25, 2007 - 4:00pm | tomtom

Stags,

It has been common practice for the past few years for financial institutions to offer terms up to 40 years here in Alaska. In other countries, they are issuing multi-generational mortgages and in other states they are issuing mortgages up to 50 years.
Please check with Alaska USA, they talk about the 40 year mortgage on their website.
reply »

10 July 25, 2007 - 12:53pm | bobbys_place

Alaska Newspapers ducking political hot potatoes

What happened to good old investigative reporting by Alaska Newspapers? What happened is that LM, DY and TS have the ability to call people who run large amounts of advertising in the Daily News and Fairbanks News Miner (and TV and radio stations) and get them to call the media and say, "hey I didn't like that story about my favorite crooked politician, how about I pull my ads from your newspaper/radio/TV" and instead of putting integrity and journalist ethics above dollars, the media gets gun shy and will only run stories that have already been reported by the lower 48 media, so they have an excuse when their customer calls complaining about the "attack" on the crooks we have elected. The Daily News is as crooked as LM, DY and TS, because they ignore what is going on in, because reporting it is not in their own self interest.
reply »

July 25, 2007 - 1:45pm | chilcoot

Garbage

The post above by "bobbys_place" is pure garbage. The Daily News has the Pulitzers to prove it. The Daily News has been all over the corruption of prominent Alaska politicians, and has been for years. Ask John Lindauer, George Jacko, Ben Stevens, Ralph Seekins, Scott Ogan, Jerry Ward, Jim Zawacki, Lin Garrison, Vic Kohring, Al Veazy, Pete Kott, Bruce Weyrauch, Ramona Barnes, and Dave Donley. That the Daily News is not presently leading in investigating Don Young's problems is hardly evidence that the Daily News is not trying. Good grief, what an uninformed post.
reply »

July 25, 2007 - 1:28pm | heyworth

Correct
you nailed it.
reply »

9 July 25, 2007 - 11:50am | fishwrapper

Big Don

If Don goes to trial, I hope he takes the stand! We'd be in for a 100% \$%&* \$ Fest! Can't wait to see the judges face.
reply »

8 July 25, 2007 - 11:34am | Stags_Leap

Campaign funds for Legal Defense

USA Today has a good article in the 5/17/07 edition, called: "Campaign funds going to legal fees." That gives some good background on the issue. Someone kindly put up an html link to it...please.
reply »

7 July 25, 2007 - 9:29am | leowassille

November 2006

If I remember right, didn't Diane Benson receive 40% of the vote last time?
You see, our state is progressive.
reply »

July 25, 2007 - 1:30pm | heyworth

Being used

The Dems used Diane last time by luring her in to run against Young to "soften" him up for "their guy" in '08. They won't support her at all in this coming Primary.
Just watch which big name D files.
Need I even give the first 4 names?
She won't have a chance.
No support at all.
Sorry DB. It's what they do to folks like you.
Don't waste your time.
I know.
reply »

July 25, 2007 - 3:29pm | leowassille

FBI - Stevens-809

I gotcha

Not really trying to point out her as a potential candidate more than to point out that Alaskan's are actually progressing away from electing Don Young.
reply »

6 July 25, 2007 - 9:12am | leowassdile

Kenal's Murky River

It doesn't matter how much money Penney earned. The COST of the property is a historical figure that means little to the prospective buyer, and is the measure from which to pay capital gains tax from the owner. The ONLY thing that matters here is the Fair Market Value, since LM was the buyer. The FACT he did receive three times more than he paid for the property is a great indicator the property is undervalued from borough assessments.
reply »

5 July 25, 2007 - 8:51am | chilcoot

This Can't Be True

No way is Don Young corrupt. He's pure as the driven snow. Why, just last week, I saw him walk by an old woman and not shove her to the ground. I've heard he can go weeks without tacking an environmentalist, binding him in duct tape, and setting him alight in whale oil. Don Young reeks of integrity. Because that's what integrity does. It reeks. No way is he corrupt.
reply »

4 July 25, 2007 - 7:47am | nicksolas

a joyous day

or it would be, if this was of any real consequence, shameful on one side, but well needed to be done, on the other however the buck doesn't stop there, and nothing will come of any of this, personally to I it looks more like an illusion of pretend adjudication of justice to give the public a hope of trust in some agency that has no office or Officers. One could always hope though this will continue, of course to do so would litigate the Alaska Court system as well, which doesn't seem to be the intent, since knowone ever wants to eliminate all players.
reply »

3 July 25, 2007 - 7:41am | Stags_Leap

question on Lisa Murkowski land deal

Duke Cunningham's original criminal problems started with defense contractor Mitchell Wade paying Cunningham \$1.675 million for the congressman's Del Mar Heights home in late 2003. Wade then sold it 11 months later for \$975,000 ---- resulting in a \$700,000 loss. So why is it ethical for Lisa to underpay for a prime piece of property owned by Penney, which gives her an immediate \$150K-\$200K in equity, which she didn't disclose to the FEC?
reply »

July 25, 2007 - 9:26am | llovelucy

Question that hasn't been asked

Did Lisa sell her Anchorage home for the assessed value or market price? From what I could tell from the city property site, she sold it for \$405,270 and it was assessed at \$25,400 in 2005 and \$344,400 in 2006 (when the sale was recorded - however, the 2005 assessment might have been current when she actually sold the place). Why would she know enough to ask more than the assessed value and yet seem so clueless when it comes to property purchases on the Kenal? Even if it's a rhetorical question, the ADN should've asked it. They should actually report the news sometimes, not just respond to it after national groups do it.
reply »

July 25, 2007 - 7:57am | TheSdog

Stags

If LM turned around and sold it now for 400K or something along those lines you might have a point. Then again, this transaction is going the other way. You also need the smoking gun of what exactly LM did for Penny in exchange for money. That was clearly demarcated in the Cunningham case.
reply »

2 July 24, 2007 - 11:25pm | alombernakjs

Where is the ADN?

Here is yet another example of the outside media reporting stories that more appropriately should be done by the ADN. What is the matter with our local paper? Why are so many significant news stories about the questionable conduct of our Congressional delegation being originally reported by others? The Lisa Murkowski story came from talkingpointsmemo. This story came from the Wall Street Journal. The story about Don Young returning campaign contributions came from Roll Call (and by the way only was posted on this blog and has never been the subject of a story in the ADN). The ADN's failure to adequately cover our Congressional delegation is as embarrassing as Don Young's speech about Alaska's biting and fighting minks.
reply »

July 25, 2007 - 1:03am | shasta2

RETURNING CAMPAIGN CONTRIBUTIONS

The congressmen Young received campaign contributions and for some reason and for what reason did he say he was not needing them? Really, Did he just return \$35,000.00 or whatever amount? Why did Bubba just turn around and give a refund? The house of cards etc. I am afraid is coming down... Perhaps the jets won't be flying as the money was already spent by the old man but a lot of legislatures I bet will be packing up ready to drive south..
reply »

1 July 24, 2007 - 10:51pm | adnak

Who Isn't under Investigation?

How sweet it is, the Trifecta! Stevens, Boss Young, Murky Jr., I'm so proud of our state. And let's not forget Ben, half of the Juneau legislature, and lots of fishing industry leaders all waiting for jailtime too! And after the Bridge to Mars ridicule, we can kiss the federal bucks away. No more easy money for Alaska for years. All these folks are going down, was all the power we gave them all these years worth it? We are the laughing stock of America-those bozos in Alaska. We and Sarah better drive some real world deals on our part of the oil and gas. If we continue to give our fair share away, and lose our accustomed chunk of the federal purse, I can see lots of families having to leave the state. No federal largesse, a reduction in big ticket infrastructure funding, this state is going to be hurting for a long time. I hope all these folks end up in prison for awhile, because their not welcome in Alaska anymore. Thanks, all you selfish, scurvy, politicians.

FBI - Stevens-810

You've done a great job ruining the future of a lot of hard working Alaskans.
reply »

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company
Contact Us | Newsroom Contacts | Communication Forms | Subscriptions | Advertising | Terms of Use
Daily News Jobs | RSS Feeds | ADN Store | Newspapers In Education | Privacy Agreement
A member of the
Real Cities Network

FBI - Stevens-811

disadvantage on stories involving secrecy, such as, for example, federal corruption investigations.

The Wall Street Journal is one of the best newspapers in the world, and I respect its news coverage. But I also know better than to trust it or any other news organization blindly. The New York Times is also one of the world's great journalistic institutions, but its willingness to let Judith Miller and Jayson Blair publish stories based on anonymous sources did huge damage to itself and the business of journalism, not to mention readers.

So, back to our newroom last night . . .

I did not see sufficient reason to override our policy against running stories based on anonymous sources. On the other hand, I also knew that regardless of what we chose to do, the apparent revelations in the Journal's story would become part of the public dialog about corruption in Alaska. If we carried no story, our readers would not necessarily know what the Journal had reported or understand why there was no mention of it in the Daily News.

Still, I was not prepared to attach the credibility of the Daily News to the Journal's unnamed and barely described sources by running their story straight. Our solution, which we've used before in similar circumstances, was to find a middle ground by running a story about the Journal story.

There is a distinction here that many readers may find hard to follow, but which I consider journalistically significant.

To run the Journal story straight is to run a story saying that Don Young under investigation, according to anonymous sources. In that case, we have effectively attached our credibility to those sources.

By running a story reporting that the WSJ has published a story, based on anonymous sources, that says Don Young is under investigation, we provide readers with a story that we know is accurate and credible -- the fact of the Journal story -- but we avoid attaching our reputation to the accuracy of the Journal's sources.

And we would only go this far because of the reputation of the WSJ. We wouldn't do even this much if a publication or blog without a strong track record of good journalism had done the story.

Because I was not completely confident in the quality of the information on which the Journal story was based, and because there was not much new information in the story, I decided against putting it on the front page of the paper, opting instead to run it as the lead story on the Alaska cover.

Someone asked on one of our blogs this morning why the "criminal investigation" is being reported first in the Journal and not in the local paper. The answer is that no news organization, including the Wall Street Journal, has been able to get that information confirmed on the record. The difference between us and the Journal is that we aren't willing to report it if we can't get it on the record. We take a conservative approach because we think it's essential to our credibility over the long term, and we're willing to pay the price of not being the first to report something.

Lots of other newspaper editors would decide a question like this differently. And my position on anonymous sources in the Daily News is not absolute. If the information was important enough, and if the source had very good reasons for needing anonymity, if there was no possibility of finding other named sources, and if the information were not going to see the light of day on any other terms, we would likely publish a story based on anonymous sources. But we wouldn't do it merely to scoop the competition.

I expect this corruption investigation to go on for quite some time, and I expect we'll see this issue come up, in one form or another, many more times.

Thanks for reading.

[add new comment](#)

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company

[Contact Us](#) | [Newsroom Contacts](#) | [Communication Forms](#) | [Subscriptions](#) | [Advertising](#) | [Terms of Use](#)

[Daily News Jobs](#) | [RSS Feeds](#) | [ADN Store](#) | [Newspapers in Education](#) | [Privacy Agreement](#)

FBI - Stevens-813

A member of the
Real Cities Network

POLITICS & ECONOMICS

Alaska's Young, Stevens Face Inquiry

U.S. Prosecutors Look at Ties Of Republican Lawmakers To Engineering Firm VECO

By JOHN R. WILKE

WASHINGTON—A senior House Republican has come under criminal investigation in the Justice Department's widening inquiry into alleged influence-peddling and self-dealing in Congress.

Rep. Don Young of Alaska, the former chairman of the House Transportation Committee, now is the subject of a continuing criminal inquiry involving possible political favors for a company in Alaska, people close to the case said. Sen. Ted Stevens of Alaska, the powerful former chairman of the Appropriations Committee and the longest-serving Senate Republican, is also now under criminal investigation, these people said.



Don Young

Federal investigators are examining whether Rep. Young or Sen. Stevens accepted bribes, illegal gratuities or unreported gifts from VECO Corp., Alaska's largest oil-field engineering firm, people close to the case said.

It isn't known what VECO allegedly may have received in return. The company has been awarded a series of federal contracts since 2000, including contracts to provide logistics support for arctic research, among other projects.

The two lawmakers are among the highest-ranking members of either party to come under scrutiny in the wave of public-corruption probes that has swept Washington in the past three years. In the past year, two congressmen have been sent to prison, a third has been indicted for bribery, and at least a half-dozen others are under investigation in separate cases.

For a decade, former VECO Chief Executive Bill Allen has held fund-raisers for Mr. Young in Anchorage every August, known as "The Pig Roast," participants said. Public records show contributions to Mr. Young of at least \$157,000 from VECO employees and its political-action committee between 1996 and 2006, the last year the event was held.

Mr. Young amended his campaign-finance filings in January to reflect \$38,000 in payments to Mr. Allen, who is now cooperating with federal investigators in the case. The re-

♦ **The News:** Rep. Don Young and Sen. Ted Stevens are under investigation in a continuing criminal probe of alleged political favors for an Alaskan company.

♦ **The Details:** Federal investigators are examining whether Rep. Young or Sen. Stevens accepted bribes or unreported gifts from Alaska's largest oil-field engineering firm, people close to the case said.

♦ **The Significance:** The lawmakers are among the highest-ranking members of either party to come under scrutiny in the wave of public-corruption probes that has swept Washington.

funds, which haven't previously been reported, were labeled "fund-raising costs" in documents filed with the Federal Election Commission.

Mr. Young has hired a criminal-defense team and has said his campaign committee has paid \$262,000 in legal fees in the past three months. A spokesman for Mr. Young declined to comment on any possible investigation and wouldn't say why his legal fees have risen sharply. Mr. Young has also faced questions about campaign donations received from convicted lobbyist Jack Abramoff. The congressman wasn't previously reported to be under criminal investigation.

The burly, bearded congressman has been Alaska's sole House member for 18 terms. He is perhaps best known as the architect of the "bridge to nowhere," a project in a massive 2005

gations against Mr. Stevens, haven't previously been known.

VECO was acquired in June by CH2M HILL, a closely held Colorado engineering firm, after Mr. Allen, VECO's former CEO, agreed in May to plead guilty to charges of bribery, conspiracy and extortion.

Mr. Stevens has publicly said that he was asked to retain documents related to the federal investigation of his son, Ben Stevens, and other members of the state legislature, and related to VECO's role in the remodeling of a family home in Alaska in 2000. Sen. Stevens recently hired a criminal-defense lawyer. He has said he isn't a target of the Alaska probe and hasn't violated any law.

VECO executives, including Mr. Allen, have been big supporters of Mr. Stevens as well. And while VECO has won a string of federal contracts in recent years, it isn't known which contracts are the focus of the investigation.

Mr. Stevens was directly involved in funding contracts with the National Science Foundation, for example, which went to support arctic research. But there is no evidence he sought to influence the award of contracts to VECO, officials at the NSF said. Congressional records show that Mr. Stevens on several occasions added extra funding to the budget for arctic research above what the agency sought.

Sen. Stevens's spokesman, Aaron Saunders, declined to comment on the broader public-corruption investigation. The senator, in a statement, said: "This investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome." He added that the process should proceed "so that all the facts can be established."

The government's wide-ranging investigation of corruption in Alaska has already snared three current or former state legislators, who were arrested earlier this year, as well as Mr. Allen and a second VECO executive. Ben Stevens, Mr. Stevens's son, hasn't

been charged in the case. His office was raided by agents of the Federal Bureau of Investigation last fall. The investigation is being led by the Justice Department's public-integrity section, which is presenting evidence to grand juries in Washington and Anchorage.

In the raid of Ben Stevens's office, documents related to VECO's gas-pipeline work were seized, along with records of his work for an Alaska fish-marketing board, an entity that was created and funded by Congress with support from his father.



Ted Stevens

Oil's Spoils

Employees of VECO Corp., an Alaska oil-services company, have been among the top donors to Rep. Don Young and Sen. Ted Stevens, both Alaska Republicans. Campaign contributions since 1999:

Rep. Don Young

VECO	\$212,380
BP	116,758
Carnival Corp.	101,700
American Maritime Officers	99,300
Seafarers	76,514
International Union	

Note: Figures are through 2006

Sen. Ted Stevens

Boeing	\$104,600
VECO	85,000
BP	61,500
AT&T	51,500
Lockheed Martin	48,000

Source: Center for Responsive Politics

transportation bill that he named after his wife, Lu, and "stuffed like a turkey," as he put it when the \$286 billion bill was done. The proposed bridge to a sparsely populated island off Ketchikan, Alaska, came to symbolize out-of-control congressional spending to fund pet projects by lawmakers in both parties.

It has been widely reported that VECO is at the center of a federal investigation of corruption in the Alaska state legislature. But the inquiry into Mr. Young, as well as details of the alle-



Access World News

Paper: Anchorage Daily News (AK)

Title: Young under criminal investigation -

ANONYMOUS SOURCES: His alleged Veco ties being scrutinized, according to Wall Street Journal.

Date: July 25, 2007

U.S. Rep. Don Young is under criminal investigation, the second member of Alaska's congressional delegation to be part of a federal corruption probe, a newspaper reported.

Young is being investigated for his alleged ties to Veco, the Anchorage-based company whose former top two executives -- including former CEO Bill Allen -- have pleaded guilty to bribing Alaska state lawmakers, the Wall Street Journal, citing anonymous sources, reported on its Web site late Tuesday.

Investigators are trying to determine whether Young or U.S. Sen. Ted Stevens took bribes, illegal gratuities or unreported gifts from Veco, the newspaper reported, citing only "people close to the case."

A message left by The Associated Press late Tuesday at Young's Washington, D.C., office was not immediately returned.

The Daily News could not independently verify facts in the Wall Street Journal story.

Stevens has continually declined to comment on the corruption investigation, which involves the FBI and the U.S. Justice Department.

The Journal said Allen held fundraisers called "the Pig Roast" for Young every August for 10 years. Public records show Young received \$157,000 from Veco employees and its political action committee between 1996 and 2006.

Young, a Republican, amended campaign-finance filings earlier this year to reflect \$38,000 in payments to Allen, the Journal reported. The refunds were labeled "fundraising costs" in documents filed with the Federal Election Commission.

Young has spent more than \$250,000 of his campaign contributions on legal services since he put a Washington, D.C., law firm on retainer this year, according to recent regulatory filings.

As part of a widening corruption probe, the FBI is looking closely at a 2000 construction project that more than doubled the size of Stevens' home in the ski resort community of Girdwood, about 40 miles south of Anchorage.

A contractor who did work on the house has said he was directed to send bills to Veco. The contractor said someone at the company would examine them for accuracy before sending them to Stevens, the longest serving Republican in Senate history.

"Federal agencies have conducted a broad ranging investigation in Alaska for almost a year. I believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said in a written statement issued last week. "I will continue this policy of not commenting on this investigation until it has concluded."

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

Allen and another former VECO executive, Rick Smith, have pleaded guilty to extortion and bribery related to their dealings with state legislators. They are said to be cooperating with investigators. No sentencing date has been set.

Three former Alaska lawmakers charged with bribery will face trial later this year.

Caption:

FBI - Stevens-815

Young

Caption:

Graphic 1: 23backpg_young2_072507.eps

Copyright (c) 2007, Anchorage Daily News

Author: The Associated Press WIRE

Section: Alaska

Page: B1

Copyright (c) 2007, Anchorage Daily News



Paper: Anchorage Daily News (AK)

Title: Conflict of interest makes Ramras pull bill on cruise ships -

HOTEL OWNER: GOP legislator may seek a follow-up opinion.

Date: July 25, 2007

A state legislator who owns a Fairbanks hotel said he will withdraw a bill on cruise ships that he sponsored and pushed.

The decision Tuesday by Rep. Jay Ramras, R-Fairbanks, came after the Select Committee on Legislative Ethics advised him that his ownership of Pike's Waterfront Lodge in Fairbanks posed a conflict of interest.

Ramras requested the committee's opinion, which recommended that Ramras withdraw the bill, HB 222.

The bill addresses the likelihood that a town will opt out of getting a share of the new \$50-a-passenger tax on cruise ships and impose its own tax instead. His bill would require the state to grant a tax credit equal to the amount levied in passenger taxes by Alaska port cities -- effectively capping passenger taxes. The new tax, which started this year, levies \$50 from each of the roughly 1 million cruise passengers who tour Alaska each summer.

Ramras is chairman of the House Judiciary Committee, which also considered other bills related to cruise ships.

Ramras said another committee member chaired meetings when cruise-ship legislation was heard in the Judiciary Committee. "I was equally careful in disclosing my close economic association with the industry" in the committee and on the House floor, he said.

But he said he might ask for a follow-up advisory opinion.

The ethics committee opinion could hurt his and other legislators' "ability to draft, advocate for or speak against legislation in fields of expertise which we each bring with us to Juneau," he said.

The ethics committee, in its opinion presented to Ramras, laid out the conflict, identifying a cruise-tour business as Company A:

"For a number of years your corporations have earned the majority of their annual income from service contracts with Company A. During a recent legislative session you were in negotiation with Company A to extend or renew these contracts, which were about to expire. During the time period in which these negotiations took place, you introduced and sponsored a bill that, if it becomes law, could indirectly confer a substantial financial benefit upon Company A. The bill is still pending, and you are still a sponsor. During the same time period, you took or withheld official action on other bills, introduced by others, that also might indirectly confer a substantial financial benefit upon Company A."

The committee said Ramras' pushing of HB 222 while negotiating substantial business contracts with Company A "is of special concern."

"A determination by this committee that a legislator should not introduce or sponsor a bill in a matter in which the legislator has a conflict of interest under the act would not prohibit legislators from earning outside income or impair legislators' income-earning abilities or opportunities," the ethics committee said.

Joe Geldhof was co-sponsor of the cruise-ship tax that voters approved last August.

"This opinion comes as a surprise to no one who was paying attention to his (Ramras) focus on areas where he had a strong personal and commercial interest. The question is why it took so long," Geldhof said.

"What is the Legislature going to do to keep it from happening in the future? This is hardly surprising; the conduct was shameful," he said.

Contact Bill White at 257-4311. Find Elizabeth Bluemink online at adn.com/contact/bluemink or call 257-4317.

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-816

Author: BILL WHITE and ELIZABETH BLUEMINK news@adn.com Staff

Section: Alaska

Page: B1

Copyright (c) 2007, Anchorage Daily News

adn.com

Anchorage Daily News

Print Page

Close Window

Murkowski to sell back Kenai property

By ERIKA BOLSTAD and RICHARD MAUER
Daily News reporters

(Published: July 26, 2007)

U.S. Sen. Lisa Murkowski said this morning that she and her husband intend to sell back their Kenai riverfront property to Anchorage businessman Bob Penney.

Murkowski announced the give back a day after a Washington watchdog group filed a 15-page Senate ethics complaint against her, alleging that Penney sold the property well below market value. The transaction amounted to an illegal gift worth between \$70,000 and \$170,000, depending on how the property was valued, according to the complaint by the National Legal and Policy Center.

Murkowski told reporters in her Capitol office this morning that Penney, a real estate developer who does business in Alaska and Outside, has agreed to buy back the property for the \$179,400 purchase price she and husband Verne Martell paid Dec. 22, 2006.

"While Verne and I intended to make this our family home and we paid a fair price for this land, no property is worth compromising the trust of the Alaska people," Murkowski said in a written statement. "I cannot allow this to become a distraction from the major challenges faced in representing Alaska. So we have decided to sell this property back to Bob Penney at the same price for which it was purchased."

Ken Boehm, chairman of the National Legal and Policy Center, said Thursday that Murkowski did the right thing by announcing she would return the property. But, he added, his complaint should still be heard because Murkowski's 2006 disclosure remains inaccurate. Among his charges was that she failed to disclose the transaction as required by Senate rules.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-817

NewsBank inc.**Access World News**

Paper: Anchorage Daily News (AK)

Title: Murkowski returns disputed land -

SELL-BACK: She and husband must cover bank closing costs.

Date: July 27, 2007

U.S. Sen. Lisa Murkowski said Thursday that she and her husband have decided to sell back their Kenai riverfront property to Anchorage real estate developer Bob Penney.

Murkowski announced the sell-back a day after a Washington watchdog group filed an ethics complaint against her, alleging that Penney sold the property at well below market value. The transaction amounted to an illegal gift worth between \$70,000 and \$170,000, depending on how the property was valued, according to the complaint by the National Legal and Policy Center.

Murkowski, who has said repeatedly that the deal was aboveboard, told reporters in her Washington office that Penney agreed to buy back the property for the \$179,400 purchase price she and husband, Verne Martell, paid last December.

"While Verne and I intended to make this our family home and we paid a fair price for this land, no property is worth compromising the trust of the Alaska people," Murkowski said in a written statement. "I cannot allow this to become a distraction from the major challenges faced in representing Alaska."

Murkowski said it was a heart-wrenching decision because she, her husband and their two sons -- all avid fishermen -- have long sought a place on the Kenai River.

"My family is amazing, and they make incredible sacrifices for me," Murkowski said. "For them to be living in Washington, D.C., for nine months out of the year, working here, going to school here, and giving up Alaska, is a huge sacrifice. We want to be able to have our place back home, in Alaska. And that's what this was all about -- it was nothing nefarious or underhanded or improper."

GOOD-NEIGHBOR SALE

Ken Boehm, chairman of the National Legal and Policy Center, said Thursday that Murkowski did the right thing by announcing she would return the property. But, he added, his ethics complaint should still be heard because Murkowski's 2006 disclosure remains inaccurate. Among his charges was that she failed to disclose the transaction as required by Senate rules.

Penney said in a telephone interview from his riverside home outside Soldotna that Murkowski did nothing wrong.

"It was totally unfair to the Martells that they end up not being able to build where they wanted to, on their new homesite they were so excited about," Penney said. "They got pushed away."

Penney said he sold them the land because they were among a select group of people he would like for next-door neighbors.

The issue erupted in the blogosphere July 16 when the Web site TPMuckraker.com reported the land deal. At first Murkowski and Penney refused to disclose the purchase price or other details.

What with increasing media attention on the Alaska political corruption scandal and links of U.S. Sen. Ted Stevens and U.S. Rep. Don Young to ongoing federal investigations, reports of a possible sweetheart deal between Penney and Murkowski quickly caught fire. Penney has already testified before a federal grand jury looking into Stevens' activities.

The deal became the talk of talk radio in Anchorage, with hosts and callers lining up both with Murkowski and against her, and details emerged in a string of newspaper and television news stories, followed by Boehm's ethics complaint this week.

"It's just absolutely media madness," Penney said.

Murkowski said she has always known that her actions draw more scrutiny because of her position, but said she was not quite prepared for the ferocity of the backlash on talk radio and political Web sites. For now, though, she and her family will be looking for another home with access to good salmon fishing.

"I guess I've always known that I live in a glass house as a public figure, but I guess I'm not going to be living in a glass house on the Kenai River," Murkowski said.

FBI - Stevens-818

PERSONAL-USE EXEMPTION

Murkowski has always maintained that although there were errors in her ethics report, she never violated Senate disclosure rules.

"Senate ethics says that if the properties are used for personal use, you don't disclose it," she said. She said she disclosed the mortgage for the property but not the transfer, based on advice from Ethics Committee staff.

Murkowski said she told Stevens, the senior Alaskan senator, that she was going to be selling the property. She did not seek his advice and he did not counsel her on it -- but he did tell her in their conversation Wednesday night that he was sorry about what had happened, Murkowski said.

She wouldn't address the effect that the Stevens or Young investigations -- or her own ethics complaint -- have had on the state's image or the ability for the delegation to get things done.

"There are those who will do anything to bring down the strength of the Alaska delegation. I think that is a reality. I think what I do is to get up every morning and do the best job I can representing Alaskans. That's what I was elected to do."

Murkowski said that she and her husband will lose some money on the return sale because they must pay bank closing costs to end the mortgage. The final paperwork should be completed today, she said.

Murkowski dismissed criticism that she used a Ketchikan bank with close family ties -- she once sat on the board, and her sister is a current shareholder and director. She and her husband received a two-year balloon mortgage known as an "equity lot loan" that can be rolled into a construction loan to build on raw property.

"When you go to a bank, or you go to a lawyer, most of us don't just go pick up the Yellow pages. You go to where you have had an established relationship. My husband and I have had an established relationship with First Bank for years."

Penney said that restrictions he placed on the deal lowered the value of the property and reduced the chance that Murkowski would quickly sell it for a profit. For five years after the sale, he said, Murkowski and Martell would have to split with him 50-50 any proceeds they received over the initial sales price. He'd get his share before any deductions for improvements, taxes and interest, which would leave Murkowski little, if any, real profit.

Erika Bolstad reported from Washington and can be reached at ebolstad@adn.com or 202-383-6104. Richard Mauer reported from Anchorage and can be reached at rmauer@adn.com or 257-4345.

Transaction timeline

12/22/06: Deed signed transferring property from businessman Bob Penney to Sen. Lisa Murkowski and husband Verne Martell

7/16/07: Word of the land sale is first published on the Web site TPMMuckraker.com. Story quickly gains currency on talk radio in Alaska and in newspaper and television reports.

Wednesday: National Legal and Policy Center of Falls Church, Va., files a 14-page complaint with the Senate Ethics Committee, alleging Murkowski received a "sweetheart deal" from Penney of substantially undervalued real estate.

Thursday: Denying she did anything wrong, Murkowski tells reporters at a press briefing for Alaska media in Washington, D.C., that she and Martell will resell the property back to Penney for the price they paid.

Copyright (c) 2007, Anchorage Daily News

Author: ERIKA BOLSTAD and RICHARD MAUER Anchorage Daily News Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-819

NewsBank inc.**Access World News**

Paper: Anchorage Daily News (AK)

Title: Young recovers from surgery -

'HE'S FINE': No prostate cancer, but political news isn't so good.

Date: July 27, 2007

U.S. Rep. Don Young had some minor surgery this week on his prostate and stayed home from work for a few days, his spokeswoman said Thursday.

Young was not in the office Tuesday or Wednesday, said spokeswoman Meredith Kenny. He came into the office Thursday, Kenney said, but left a little earlier than usual. The surgery, performed at a Washington hospital, was minor and "non life-threatening," Kenney said.

"He's fine," she said, adding that he does not have prostate cancer.

It has not been a particularly good week for Alaska's sole congressman. The Wall Street Journal reported Tuesday that he's now the target of a federal criminal investigation for his ties to Veco Corp. The company's top executives, including chief executive Bill Allen, have pleaded guilty to bribing Alaska state lawmakers.

Meanwhile, the investigation has led to speculation in Washington that Young may lose some of his committee assignments; other Republican lawmakers who have caught the eye of federal investigators were asked earlier this year to give up their committee posts.

Young, now in his 18th term, sits on the Transportation and Infrastructure committee and is the highest-ranking Republican member of the House Natural Resources Committee. Thursday, a Republican spokesperson for the committee sent out a statement outlining Young's position on a mining bill the committee heard Thursday - a sign that Young is not about to lose his seat on it.

Kenny called the speculation about Young losing his committee assignments "nothing but buzz." The buzz may even have been fueled by fellow Republicans in the fiscally conservative wing of the party, she said. They were angered last week when Young warned a New Jersey Republican who was trying to cut money for an Alaska Native education program that "those who bite me will be bitten back."

But Democrats, who are actively recruiting candidates to run against Young in 2008, leapt at the chance to attack him.

"Don Young is being investigated for bribery -- one of the most 'serious transgressions' a member of Congress faces -- but he still sits on the committees overseeing issues important to the company that allegedly bribed him," said Jennifer Crider, communications director for the Democratic Congressional Campaign Committee. "Clearly, Republicans haven't learned their lesson about holding their members accountable for their wrongdoing."

The House minority leader's office, which decides Republican committee assignments, did not return phone calls Thursday.

Copyright (c) 2007, Anchorage Daily News

Author: ERIKA BOLSTAD ebolstad@adn.com Staff

Section: Alaska

Page: B1

Dateline: WASHINGTON

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-820

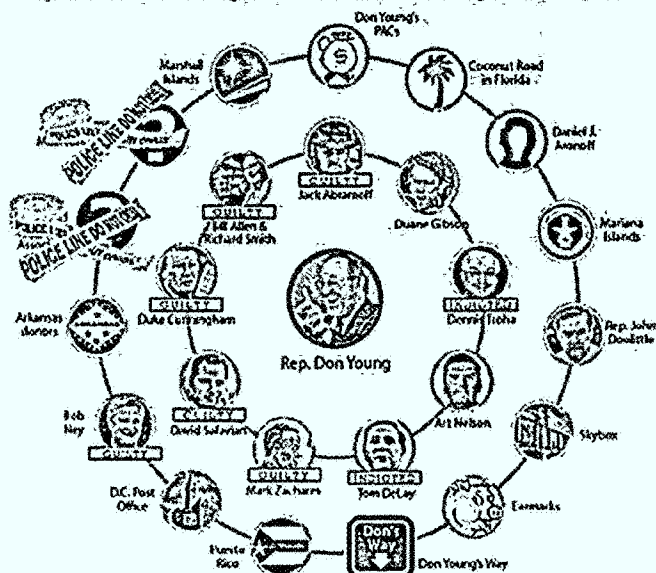
Search

CONTRIBUTE NOW **SIGN UP HERE**

- [Home](#)
- [Corruption](#)
- [In the News](#)
- [On the Issues](#)
- [Quotes & Actions](#)
- [Contribute](#)
- [Volunteer](#)
- [Contact Us](#)

The Don Young Web of Corruption

Move your mouse over the images below to reveal the Don Young web of corruption:



Don on YouTube

Quotes

- Young calls environmentalists socialist un-Americans
- Young named one of the 10 worst Congressmen in 2006
- Young stuffed it like a turkey

On the Issues

- [Young on Consumer Protections](#)
- [Young on the Iraq War](#)
- [Young on Health Care](#)

Corruption

- [AK or Arkansas?](#)
- [The Abramoff Skybox](#)
- [Marshall Islands](#)

In the News

- [Rep. Young under criminal investigation](#)
- [Don Young - There he goes again](#)
- [Poll respondents say Young's comments were inappropriate](#)

FBI - Stevens-821

Paid for by the Alaska Democratic Party
Not authorized by any candidate or candidate
committee



2602 Fairbanks Street | Anchorage, AK 99503-2428
 Tel (907) 258-3050 | Fax (907) 258-1626 | adp@alaska.net | www.alaskademocrats.org

SEATTLE POST-INTELLIGENCER

http://seattlepi.nwsourc.com/connelly/325567_joel30.html

Political scandals thick as trees in Alaska

Last updated July 29, 2007 11:25 p.m. PT

By **JOEL CONNELLY**
P-I COLUMNIST

Threats and bluster are standard operating procedures for Alaska's seniority-laden Washington, D.C., delegation, and Rep. Don Young, R-Alaska, was in full cry earlier this month.

"There is always another day when those who bite will be killed, too, and I am very good at that," Young said. No kiddin'. He once waved an 18-inch-long oosik, the penis bone of a walrus, at the first woman to direct the U.S. Fish and Wildlife Service.

Young, the political architect of Alaska's "bridges to nowhere," was mad at a bid by Republican New Jersey Rep. Scott Garrett to cut one of his pet programs.

Not only did he go after Garrett, but Alaska's congressman went on to note that his opponent comes "from a state that doesn't have the greatest reputation in the world."

A few days later, The Wall Street Journal revealed that Young is under FBI investigation for his ties to VECO, the oil-field-services supplier whose president has pleaded guilty to paying off Alaska state legislators.

"Is two-thirds of the New Jersey congressional delegation currently being investigated by the FBI? Did New Jersey pols and lobbyists organize a Corrupt Bastards Club in the state capital? And get hats made?" the Alaska Ear column of the Anchorage Daily News asked.

Alaska has lately moved out in front of the Garden State when it comes to politicians for sale, for rent and ready to exchange favors.

The past year has seen a curtain pulled back on the crony capitalist insiders' network that has long run the 49th State, treating the "Great Land" as a grand treasure trove.

As usual, there's a key insider: In the 1970s, it was Jess Carr, the Teamsters Union leader whose local ran Alaska Pipeline construction with fists and featherbedding.

The go-to guy of recent times was VECO boss Bill Allen. VECO was the prime contractor in cleaning up Prince William Sound after the Exxon Valdez spill. VECO took in about \$800 million of \$2.5 billion spent by Exxon.

Allen got around, and got around the law.

By bugging VECO's suite at Juneau's Baranof Hotel, the FBI recorded vote-buying that resulted in Allen and deputy Rick Smith pleading guilty to extortion and bribery, plus corruption charges against one legislator and two former colleagues.

FBI - Stevens-822

Between 2002 and 2006, VECO paid \$243,000 in consulting fees to the firm of state Senate President Ben Stevens, son of Alaska's U.S. Sen. Ted Stevens. What work the Stevens dauphin actually did is unclear. He has not -- yet -- been indicted.

Allen threw an annual fundraiser called "The Pig Roast" for Young each August. Young chaired the House Transportation Committee until Democrats won control of Congress.

Young received \$157,000 from VECO employees and its political committee over the past decade. He amended campaign-finance filings this year to report \$38,000 in payments to Allen for "fundraising costs."

And there is 83-year-old Ted Stevens, Alaska's senator for life. The FBI is investigating a 2000 project that more than doubled the size of his home in Girdwood, a ski town near Anchorage.

One contractor who worked on the house said he was told to send bills to VECO. He has said that someone in Allen's office examined the billing, then sent them to Stevens.

The Los Angeles Times did a 2004 study of "Uncle Ted's" personal finances. Stevens has become a millionaire by investing in partnerships with influential contractors. The same partners profited handsomely from spending items that Stevens put into the federal budget.

The Anchorage Daily News has regularly disclosed lucrative lobbying by former aides to Young and Stevens. An ex-Young staffer owns land near the terminus of a controversial proposed bridge. The family of former Gov. Frank Murkowski owns land on Gravina Island, destination of a planned bridge from Ketchikan.

Stevens, too, is given to threats. He vowed revenge on Sen. Maria Cantwell, D-Wash., after she blocked his backdoor bid to open the Arctic National Wildlife Refuge to oil and gas drilling.

In a final "predators' ball" of Alaska's elite, Stevens, Young and Allen headlined a fundraiser for Cantwell's GOP challenger Mike McGavick. McGavick ended up refunding \$14,700 from VECO executives when news of the FBI inquiry became public.

FBI - Stevens-823

A new north wind is blowing.

It blew away Murkowski in last year's Republican primary. The winner -- now governor -- was Sarah Palin, who blew the whistle on ethical misconduct while chairing the Alaska Oil and Gas Conservation Commission.

Anchorage Mayor Mark Begich is being recruited by Democrats to run against Young. Young is also under scrutiny for favors done for Florida businessmen who were big campaign donors.

The state's junior Sen. Lisa Murkowski -- appointed by her father when he was governor -- dodged a bullet last week. Murkowski and her husband announced they were selling back a choice Kenai River lot to a friend and real estate developer.

The resale came after a D.C. watchdog group filed a complaint against Sen. Murkowski, charging she paid far below market value and that the land deal amounted to an illegal gift.

"While Verne and I intended to make this our family home, and we paid a fair price for this land, no

property is worth compromising the trust of the Alaska people," she said.

It's enough to bring tears to your eyes -- if you happen to be a crocodile.

P-I columnist Joel Connelly can be reached at 206-448-8160 or joelconnelly@seattlepi.com. Follow his political blog at blog.seattlepi.com/seattlepolitics.

© 1998-2007 *Seattle Post-Intelligencer*

FBI - Stevens-824

adn.com

Anchorage Daily News

Print Page

Close Window

FBI, IRS searching Stevens' Girdwood house

FBI - Stevens-825

Anchorage Daily News

(Published: July 30, 2007)

Federal law enforcement agents are currently searching the Girdwood home of Alaska U.S. Sen. Ted Stevens.

"All I can say is that agents from the FBI and IRS are currently conducting a search at that residence," said Dave Heller, the assistant special agent in charge of the FBI's Anchorage office. The search began earlier this afternoon, he said. It's the only such search warrant currently being served, he said.

Shortly before 3 p.m., a number of federal agents could be seen outside the house, along with a half-dozen government SUVs. Others were inside. It couldn't immediately be determined what, if anything, was being taken from the house. Agents at the house wouldn't answer questions.

Heller, the FBI spokesman in Anchorage, directed other questions to the U.S. Justice Department's Public Integrity Section in Washington. A spokesman there had no comment.

In Washington, FBI spokesman Richard Kolko confirmed to the Associated Press that FBI and IRS agents "are conducting a court authorized search warrant in Girdwood, Alaska."

Federal investigators and a grand jury looking into public corruption in Alaska have been asking questions about a 2000 remodeling project that more than doubled the size of Stevens' home -- particularly the involvement of the oil field services firm Veco. Three contractors who worked on the project told the Daily News that their records had been subpoenaed by a federal grand jury, and others connected with the work and with Stevens had been interviewed.

One of the contractors who worked on the job said he was hired by Veco CEO Bill Allen for the job, and while his bills were paid by Stevens and his wife, Catherine, invoices were reviewed first by Veco.

Allen and a Veco vice president pleaded guilty in May to bribery, extortion and other charges connected with paying off state legislators.

Two weeks ago, Stevens told reporters that money for the remodeling came out of his own pocket.

"As a practical matter, I will tell you. We paid every bill that was given to us," Stevens told reporters. "Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it. It's our own money."

Beyond that, Stevens has issued a written statement repeatedly in recent months saying he would have no comment on the ongoing corruption probe.

A total of four former state lawmakers have been charged with bribery, along with a prison-industry lobbyist. One, former Anchorage Rep. Tom Anderson was convicted earlier this summer of

bribery and other crimes for taking money from the lobbyist for a private prison company.

Last August, federal agents served more than 20 search warrants across the state, including at the offices of six state legislators, including Ted Stevens' son, Ben Stevens, who at the time was the president of the state Senate.

Ted Stevens, 83, is the longest-serving Republican senator.

[Print Page](#)

[Close Window](#)

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-826

[<<Back](#)



FBI, IRS search home of U.S. Sen. Stevens

by The Associated Press
Channel 2 News staff
Monday, July 30, 2007

ANCHORAGE, Alaska -- Agents from the FBI and the Internal Revenue Service are searching the Girdwood home of U.S. Sen. Ted Stevens.

Execution of a search warrant was confirmed this afternoon by Dave Heller, FBI assistant special agent in charge of the Alaska office, who said agents arrived shortly before 2:30 p.m.

Heller says he can't comment on the nature of the investigation and referred inquiries to the Public Integrity Section of the Department of Justice in Washington, D.C.

Calls placed to spokesmen for Stevens in the Capitol were not immediately returned.

In the past, Stevens has said it is his long-standing policy not to comment on the federal investigation to avoid the appearance that he might influence the investigation.

Stevens, who is 83, is the longest-serving Republican senator in the U.S. Congress.

Federal investigators previously confirmed they were reviewing a renovation project at his home that more than doubled its size.

The remodeling of Stevens' home in 2000 was overseen by Bill Allen, a contractor who has pleaded guilty to bribing Alaska state legislators.

Allen founded VECO Corp., an Alaska-based oil field services and engineering company that has reaped tens of millions of dollars in federal contracts.

A Washington, D.C., law enforcement official familiar with the case confirms the raid is focused on records related to the ongoing VECO investigation.

In response to the search warrants, Stevens released the following statements:

"My attorneys were advised this morning that federal agents wished to search my home in Girdwood in connection with an ongoing investigation.

"I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome. I will continue my policy of not commenting on this investigation until it has concluded.

"I know Alaskans are interested in my views on the investigation. While I understand this interest and would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work.

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media. The legal process should be allowed to proceed so that all the facts can be established and the truth determined.

FBI - Stevens-827

"For over 50 years I have worked hard for Alaskans as part of our territorial, state and federal governments. And I will continue to do all I can to assure that government meets our people's unique needs."

Watch the "5:00 Report with John Tracy" and the "NewsHour" for the complete report.



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-828

July 30, 2007

F.B.I. and I.R.S. Search Home of Senator Stevens

By THE ASSOCIATED PRESS

Filed at 8:13 p.m. ET

ANCHORAGE, Alaska (AP) -- Federal agents searched the home of U.S. Sen. Ted Stevens on Monday, focusing on records related to his relationship with an oil field services contractor jailed in a public corruption investigation, a law enforcement official said.

Stevens, 83, has been under a federal investigation for a 2000 renovation project more than doubling the size of his home in Girdwood that was overseen by Bill Allen, a contractor who has pleaded guilty to bribing Alaska state legislators.

Allen is founder of VECO Corp., an Alaska-based oil field services and engineering company that has reaped tens of millions of dollars in federal contracts.

Agents from the FBI and Internal Revenue Service arrived at the senator's home Monday afternoon, said Dave Heller, FBI assistant special agent. He said he could not comment on the nature of the investigation.

A law enforcement official familiar with the case confirmed the raid on Stevens' home was focused on records related to the ongoing VECO investigation. The official was not authorized to discuss the matter publicly and spoke only on condition of anonymity.

An e-mail statement issued by Stevens through his Washington, D.C., spokesman said federal agents had alerted his attorneys that they wanted to search his home.

Stevens, who has been in office since 1968 and is the longest-serving Republican in Senate history, said the interests of justice would be best served if he commented after the investigation.

"I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

The Justice Department's probe into Allen's relationships has led to charges against state lawmakers and contractors. Last year, FBI raids on the offices of several Alaska lawmakers included Stevens' son, former Alaska Senate President Ben Stevens.

Neither the U.S. senator nor his son has been charged.

FBI - Stevens-829

Copyright 2007 The Associated Press

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)

washingtonpost.com

FBI, IRS Raid Sen. Stevens's Home

By Dan Eggen and Paul Kane
Washington Post Staff Writer and Washingtonpost.com Staff Writer
Monday, July 30, 2007; 8:20 PM

Agents from the FBI and the Internal Revenue Service yesterday raided the Alaska home of Sen. Ted Stevens (R), as part of a broad federal investigation of political corruption in the state that has also swept up his son and one of his closest financial backers, officials said.

Stevens, a 39-year veteran who is the longest-serving Republican senator in U.S. history, is under scrutiny from the Justice Department for his ties to an Alaska energy services company, VECO, whose CEO pleaded guilty in early May to a bribery scheme involving state lawmakers.

Contractors have told a federal grand jury that in 2000, VECO executives oversaw a lavish remodeling of Stevens' home in Girdwood, an area on the outskirts of Anchorage, according to statements by the contractors.

Stevens said in a statement that his attorneys were advised of the impending search yesterday morning. He said he would not comment on details of the probe to avoid "any appearance that I have attempted to influence its outcome."

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined." Brendan Sullivan, a prominent white-collar defense attorney representing Stevens, declined to comment.

The afternoon raid was conducted by FBI and IRS agents as part of a "court-authorized search warrant," according to FBI spokesman Richard Kolko in Washington, who declined to provide further details.

Stevens, 83, has been considered one of the most powerful members of Congress for more than a decade, including six years in which he held wide sway over nearly \$1 trillion in federal spending as chairman of the Senate Appropriations Committee. He is now the top Republican on the Commerce committee, which has oversight of fisheries and other industries critical to his home state.

Earlier this spring, both Republicans and Democrats celebrated on the Senate floor when Stevens, who joined the chamber in 1968, became the longest serving Republican in chamber history. He has said he planned to run in 2008 for another six-year term.

A few weeks after that celebration, one of Stevens's closest political allies--Bill Allen, formerly the CEO of VECO--pleaded guilty to bribing several members of the state legislature, including an unidentified former state senator whose consulting payments cited in the plea agreement specifically matched payments reported by Ben Stevens, a state lawmaker who is the senator's son. He left the state Senate

FBI - Stevens-830

Advertisement



[<<Back](#)



FBI, IRS searches continue at Sen. Stevens' Girdwood home

by Rebecca Palsha
Monday, July 30, 2007

GIRDWOOD, Alaska - He's the country's longest serving Republican senator and today, the Girdwood home of Sen. Ted Stevens was searched by the FBI and the Internal Revenue Service.

The FBI said agents arrived at the house around 1:30 p.m. but, neighbors said they were there much earlier. Officials won't say what the agents are looking for, but they are taking plenty of photos.

Stevens has been linked to the VECO Corp. scandal, and the question of whether VECO paid to build a first floor addition to the senator's Girdwood home has been raised.

Stevens insists he paid the bills and released a statement this afternoon.

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media. The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

It was back in May when Channel 2 News interviewed contractor Augie Paone, who said the bills went to VECO first and then were forwarded on to Stevens.

"I would give the invoices to VECO, they would review it and make sure the billings were correct and they'd give it back to me and say sure go ahead just fax it over or sometimes they'd fax it over to him," Paone said in May.

As officials continue to search, more photos are being taken and light fixtures are being tested, but so far nothing has been taken out of the home.

Diversified Maintenance contractor Jim Helms said he was interviewed by the FBI last Thursday after he was hired to remove the Christmas lights from Stevens' home.

"I found it interesting that they were so interested in Christmas lights at Ted Stevens' house. We are all familiar with what's going on, but I was surprised they were out there and saw this and through the logo on my truck, they were able to track me down rather quickly," Helms said.

Another indication that no matter what the feds are looking for, they've had their eyes on Stevens' home for some time.

More than 24 agents were on scene today and were still on scene late into the night. Neighbors said they don't know what's going on, but that they've been watching the FBI.

The nonpartisan group Taxpayers for Common Sense plans to call on Senate Minority Leader Mitch McConnell to follow the lead of House Republican leaders and ask Sen. Stevens to step down temporarily from his positions on the Commerce, Science and Transportation and Appropriations Committees until the federal investigation is completed.

Washington D.C. based newspaper Roll Call is reporting that the organization is expected to make its arguments in a letter to McConnell.

FBI - Stevens-831

Contact Rebecca Palsha at rpalsha@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-832

NewsBank^{inc.} Access World News

Paper: Anchorage Daily News (AK)
Title: Metcalfe says he'll take on Don Young -
HOUSE SEAT: Ethics issues seen as making incumbent vulnerable.
Date: July 30, 2007

Jake Metcalfe, former Anchorage School Board president and former head of the state Democratic Party, announced late Sunday that he plans to run against Don Young in the 2008 congressional election.

"All this stuff has been coming out, there's been a barrage of new information about the corruption and the ethics violations, and I thought, 'You know, somebody's got to run against him,'" he said.

"I just figured I'd do it."

Metcalfe, an attorney for IBEW, grew up in Southeast Alaska in a large, well-known Juneau family. He worked previously as a prosecutor in Bethel. He said by cell phone from Washington, D.C., Sunday night that he plans to file the paperwork today.

Young's campaign manger, Steve Dougherty, didn't immediately return a call for reaction.

The Wall Street Journal reported Tuesday that Young is being investigated for his ties to Veco, whose former top executives pleaded guilty earlier this year to bribing state legislators. The Democratic Congressional Campaign Committee has been searching for a strong candidate to run against him, and on Thursday called on Republican House leadership to pull his committee assignments.

Young's only official challenger is Diane Benson, who ran against him last year, garnering 40 percent of the vote with a fraction of the campaign funds. Benson has officially filed to run for the seat again in 2008. Her campaign manager was also unreachable Sunday evening.

In a recent interview, Young said of the Democratic Congressional Campaign Committee efforts against him: "They are welcome to try. ... I know that I'm the one they would like to eliminate. It doesn't bother me as long as I run a good campaign and do what's right for this state."

Metcalfe said that former state Rep. Ethan Berkowitz and Mayor Mark Begich have also been considering a run against Young. Neither could be reached.

Young has a large campaign war chest and any candidate who runs against him needs to start early raising money and making connections across the state, Metcalfe said.

"People have to quit waiting for other people to make up their minds," he said.

"The Democrats are in the majority, and we've got a back-bencher for an incumbent," he said. "He's no longer powerful. ... We need someone that's in the majority."

Find Julia O'Malley online at adn.com/contact/jomalley or call 257-4591.

Caption:

Metcalfe

Caption:

Photo 1: JakeMetcalfe_073007.jpg

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-833

Author: JULIA O'MALLEY jomalley@adn.com Staff

Section: Alaska

Page: B1

Copyright (c) 2007, Anchorage Daily News

[<<Back](#)



Senate clerk called before grand jury in Stevens probe

by The Associated Press
Tuesday, July 31, 2007

WASHINGTON, D.C. -- A Senate clerk who helped maintain Sen. Ted Stevens' personal financial records was recently called before a federal grand jury in a public corruption investigation that has been joined by the IRS and the Interior Department.

Barbara Flanders, who serves as a financial clerk for Stevens on the Senate Commerce Committee, testified in the past several weeks and provided documents regarding the senator's bills, according to an attorney in the case who spoke on condition of anonymity because grand jury matters are secret by law.

Investigators are scrutinizing Stevens' relationship with oil field services contractor Bill Allen, who helped oversee a complicated renovation project that more than doubled the size of Stevens' home in 2000. Allen's company, VECO Inc., won tens of millions of dollars in federal contracts. Allen has pleaded guilty to bribing Alaska lawmakers.

Federal agents raided Stevens' home Monday, photographing and videotaping its contents and leaving with a garbage bag full of unidentified items.

Stevens, 83, is the longest-serving Republican in Senate history. He has denied any wrongdoing and said he paid for all the improvements himself but he says he worries the looming investigation could have political consequences.

Flanders is a longtime aide who helps ensure that Stevens' bills are paid and his personal affairs are in order, the attorney said. She was questioned about the improvement project and how the bills were paid.

Reached by telephone Tuesday, Flanders would not discuss her testimony or describe her duties involving Stevens' personal accounts.

"I work for the Commerce Committee," she said. "I don't have any comment on any other issues."

Jenilee Keefe, a spokeswoman for Committee Chairman Daniel Inouye, D-Hawaii, said there was no evidence the subpoena involved committee business.

"It is a personal thing. She worked for him in another capacity," Keefe said. "Right now we're just not getting involved."

FBI - Stevens-834

Spokesmen for Stevens had no comment on the subpoena or Flanders' role in the senator's personal finances.

The investigation grew out of a lengthy corruption probe that has ensnared several Alaska lawmakers and resulted in Allen's guilty plea for bribery. Only recently, however, have authorities turned their focus on Stevens and that focus appears to be narrowing.

The Interior Department's inspector general and the Commerce Department have also joined the case to investigate Stevens' connections with a Seward, Alaska, marine science organization that

operates the Alaska SeaLife Center, a person familiar with the probe said on condition of anonymity because it is ongoing.

Among many items photographed in Monday's search were cases of wine stored in Stevens' house. Investigators photographed each case and the individual bottles, the attorney said.

About 15 agents took photos and video of various angles of the structure, climbing onto the roof at one point, and eventually entered. They later carried out a garbage bag full of unidentifiable materials and loaded it into an unmarked white van. The curtains were drawn during most of the search.

Investigators did not raid Stevens' home in Washington, where he spends most of his time.

An e-mail statement issued by Stevens through his Washington, D.C., spokesman said federal agents had alerted his attorneys that they wanted to search his home. Stevens, who has been in office since 1968, said the interests of justice would be best served if he commented after the investigation.

"I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

Located 40 miles south of Anchorage, Girdwood is nestled in a valley next to Mount Alyeska and has evolved from a gold mining town into Alaska's only year-round resort community.

Congressional watchdog groups called for Stevens to step down - at least temporarily - from his posts on the Senate's Commerce and Appropriations committees.

"There is growing evidence that Sen. Stevens may have used his powerful perch on the Appropriations Committee to direct tens of millions of dollars of earmarks to benefit family, friends, business partners and former staff," said Ryan Alexander, president of Taxpayers for Common Sense. She commented in a letter to the Senate's Republican leader, Mitch McConnell of Kentucky.

McConnell has not said whether he would ask Stevens to temporarily relinquish his committee assignments.

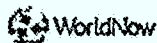
Citizens for Responsibility and Ethics in Washington, a liberal watchdog group, called it "imperative that no member under federal investigation be involved in the oversight or appropriations of any agency involved in investigating that member."

The group referred to Stevens' membership on the Appropriations subcommittee that funds the Justice Department.

The Justice Department's probe into Allen's relationships has led to charges against state lawmakers and contractors. Last year, FBI raids on the offices of several Alaska lawmakers included Stevens' son, former Alaska Senate President Ben Stevens.

Neither the U.S. senator nor his son has been charged.

FBI - Stevens-835



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

<<Back



Poll respondents say Stevens should step down from committees

ANCHORAGE, Alaska - On Tuesday July 31, Channel 2 News conducted an online poll asking if viewers thought Sen. Ted Stevens should step down from his Senate committee appointments while under investigation.

Sixty Five percent of the respondents said he should step down. Here are the official question and results.

Should Sen. Ted Stevens step down from his Senate committee appointments while under federal investigation?


Yes	65 percent
No	33 percent
Undecided	2 percent

All polls conducted by Channel 2 News and KTUU.com are unscientific.



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-836



**Your home's equity can float
you the money you need.**

Apply NOW

Enjoy a rate as low as
CURRENTLY
7.24%
Variable
For the life of the loan.
Prime minus 1.01%

TPM

MUCKRAKER.COM

*They've got muck.
We've got rakes.*

« previous | MUCK HOME | next »



Sen. Ted Stevens (R-AK) (WDCPIX.com)

Stevens Investigation Broader Than Veco Home Makeover

By Laura McGann - July 31, 2007, 12:15 PM

It's official: the FBI is looking into more than Sen. Ted Stevens' Veco-overseen remodeling project. Roll Call reports that the FBI and the Department of Interior are also looking into a series of earmarks for one of Stevens' pet projects.

The project, the Alaska SeaLife Center in Seaward, Alaska, has received some \$50 million in federal

money since 1998. One of Stevens' former aides, Trevor McCabe, was paid \$558,000 of that money for an adjacent piece of land. Federal investigators want to know more about the arrangement.

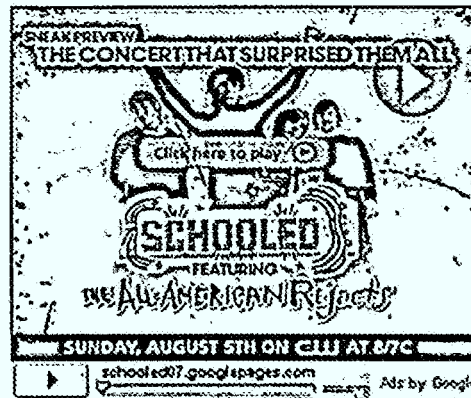
It wasn't the only time that federal money found its way to McCabe's pocket. McCabe is also tied to the federal investigation of Stevens' son, former state Senate President Ben Stevens. The FBI raided the younger Stevens' offices last year, gathering documents related to his time on an Alaska board that handed out millions in federal grants to the seafood industry. While Stevens was on the board, he partnered with McCabe in a consulting company that took fees from the companies that received the federal money. The older Stevens saw to it that the board was stocked with federal funds.

FBI - Stevens-837

If the three-pronged federal investigation into Stevens run by the IRS, FBI and Interior Department doesn't impress you, *Roll Call* mentions that the raid of a US senator's home is a historical moment in Congressional corruption: "Stevens appears to be the only member of the Senate to have ever had his residence raided by the FBI."

Permalink | TOPICS: Ted Stevens

ADVERTISEMENT:



[return to the homepage](#) | [post a comment](#)

Comments:

For AK US Attorney information, refer back Robin Boerner's comments in February:
<http://www.tpmuckraker.com/archives/002511.php>

Posted by: mo2
 Date: July 31, 2007 1:16 PM

USA for AK, Nelson Cohen, was appointed on August 22, 2006. This is four months before the Dec 7, 2007 attorney purge. I do not know anything about Cohen, but just find this interesting.

Posted by: mo2
 Date: July 31, 2007 1:36 PM

The 990s for the Alaska Sealife Center are filed as the Seward Association for the Advancement of Marine Science - EIN# 520132479. They are online at the Foundation Center's 990 Finder - link below.

Government grants skyrocketed from \$3.5 million in 2002 to \$11.4 million in 2004 (the last year that the 990 is available). FBI - Stevens-838

In 2004, the Seward Association paid \$429k to Marical in Portland Maine for "staffing and research."

Posted by: Nelly Bly
 Date: July 31, 2007 1:47 PM

Addendum: The Seward Association did not account for \$1.1 million in grants

in its 2004 990.

Posted by: Nelly Bly
Date: July 31, 2007 1:52 PM

Addendum: The Seward Association has spent \$55 million on land, buildings and equipment since its inception.

The big money appears to have rolled in in 2001 - \$23 million.

Posted by: Nelly Bly
Date: July 31, 2007 1:58 PM

By the way: When Stevens finally resigns for "health reasons", Alaska's Republican Governor, Sarah Palin, won't be able to appoint anyone to replace him -- there's going to be a special election instead.

Why? Because the Republicans screwed the pooch in December of 2002 when Frank Murkowski appointed his darling daughter Lisa to replace himself in the U.S. Senate after he decided he'd rather be governor; the Alaska Legislature passed a bill that prevented governors from ever doing anything like that again.

Posted by: Phoenix Woman
Date: July 31, 2007 2:25 PM

Wow. So they were photographing his wine cellar, bottle by bottle? And an aide assigned to the Commerce Committee was handling his personal affairs and finances?

Even if all of his financial dealings were honest - and we already know they weren't - using a committee staffer to handle them would break the law. Looks like the Senator is headed to the slammer.

Posted by: FlyOnTheWall
Date: July 31, 2007 3:02 PM

Name:

Remember personal info?

☐ Yes ☒ No

Email Address:

URL:

Comments:

FBI - Stevens-839

adn.com

Anchorage Daily News

Print Page

Close Window

Stevens asked to step down from committees

By ERIKA BOLSTAD
ebolstad@adn.com

(Published: July 31, 2007)

WASHINGTON - A day following the federal raid on his Girdwood home, watchdog groups called on U.S. Sen. Ted Stevens to step down from any Senate committees where he oversees appropriations.

Both Taxpayers for Common and Sense and Citizens for Responsibility and Ethics today asked Republican leaders to request that Stevens at least temporarily step down until the investigation was resolved.

"It is imperative that no member under federal investigation be involved in the oversight or appropriations of any agency involved in investigating that member," said Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington. "Sen. Stevens should immediately step down from his position on the Appropriations subcommittee on Commerce, Justice, Science and Related Agencies."

It wasn't clear Tuesday how Senate Republican leaders would handle the matter. Stevens is the only sitting U.S. senator known to be under active federal investigation.

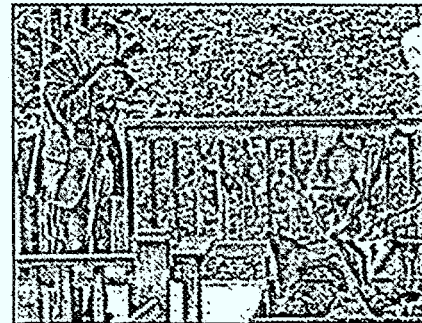
Stevens reportedly received dozens of phone calls Tuesday morning from friends and colleagues offering their support. Two fellow senators stepped out publicly: Fellow Alaskan Republican Lisa Murkowski and Sen Trent Lott, R-Miss.

"Sen. Stevens has served his country and the state of Alaska with distinction for over 60 years," Murkowski said. "With the current investigation under way, it is not appropriate to jump to conclusions until the process is complete. Sen. Stevens has the right to have the facts established in this matter."

Lott was equally admiring of his longtime colleague. Lott is one of the Senate minority leaders as Republican whip.

"We all know Ted Stevens as a good man, a tireless advocate for improving the quality of life in Alaska, a decorated veteran and a true patriot of our country. He's asked us to await all information during this investigation, and I will while I'm standing by our longest-serving colleague."

FBI - Stevens-840



A federal agent takes photos at the home of Sen. Ted Stevens on Monday in Girdwood. (AL GRILLO / The Associated Press)



Sen. Ted Stevens ()

Dozens of reporters staked out Stevens' Senate office in the hopes of catching him. They also waited for Stevens outside a Commerce subcommittee meeting where former Vice Adm. Thomas Barrett awaited a confirmation vote for a key spot in the Department of Transportation overseeing pipelines.

Stevens, a committee member, did not attend the meeting, and Barrett was introduced by Murkowski.

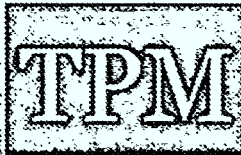
Contact Erika Bolstad in Washington, D.C., at ebolstad@adn.com, or 1-202-383-6104.

[Print Page](#)

[Close Window](#)

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-841



MUCKRAKER.COM

*They've got muck.
We've got rakes.*

« previous | MUCK HOME | next »



Sen. Ted Stevens (R-AK) (WDCPIX.com)

Stevens' Financial Clerk Testifies Before Grand Jury

By Laura McGann - July 31, 2007, 3:05 PM

A Senate clerk for Sen. Ted Stevens (R-AK) has testified before a grand jury about the remodeling of the senator's home overseen by Veco, the AP reports.

The Commerce Committee clerk, Barbara Flanders, who assisted Stevens with his personal financial records, also handed over documents related to the senator's finances and testified to what she knew about how the murky home remodeling project

bills were paid.

Flanders is not the first Capital Hill staffer to be brought in to the investigation. Some of Stevens' former aides have already been questioned by the FBI.

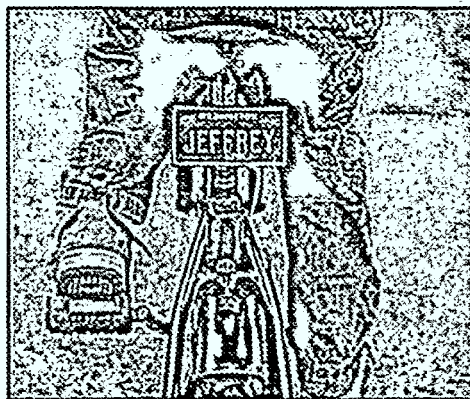
Stevens has artfully claimed he paid every bill he received for the work done on his house. But the contractor on the job has described a suspicious payment process. The contractor, Augie Paone, said he would submit invoices to Veco (the major oil services company up in Alaska) and then would receive payment from Stevens. Paone also said the checks were all coming from a special account set up for the job.

FBI - Stevens-842

The AP also confirms that Interior Department investigators have joined in the investigation, probing a series of earmarks Stevens obtained: "The Interior Department's inspector general and the Commerce Department have also joined the case to investigate Stevens' connections with a Seward, Alaska, marine science organization that operates the Alaska SeaLife Center."

Permalink | TOPICS: Ted Stevens; Veco

ADVERTISEMENT:



[return to the homepage](#) | [post a comment](#)

Comments:

It ain't rocket science. Vcco got the invoice, gave Ted \$ for said invoice; Ted wrote the check to the contractor, but none of it came out of his pocket.

Posted by: Largo
Date: July 31, 2007 4:00 PM

Anyone aware of just WHO Allen admitted to bribing? Were the bribes supposedly restricted to local lawmakers? Also, have other lawmakers been indicted yet from the Allen admission? Just curious to see if and how his name might come up in those financial records..

Posted by: johnnydoughey
Date: July 31, 2007 4:21 PM

The AP has a curious angle on the story:

"The focus seems to be on the wine"

"Federal agents searching the home of a Republican senator from Alaska seemed especially interested in cases of wine stored in the house. ..."

FBI - Stevens-843

"... investigators photographed individual wine bottles as well as cases of wine, as they carried out the search as part of a public corruption probe. ..."
kvoa.com/Global/story.asp?S=6864993&nav=HMO6HMaW

Posted by:
Date: July 31, 2007 4:28 PM

The AP has a curious angle on the story:

"The focus seems to be on the wine"

"Federal agents searching the home of a Republican senator from Alaska seemed especially interested in cases of wine stored in the house. ..."

"... investigators photographed individual wine bottles as well as cases of wine, as they carried out the search as part of a public corruption probe. ..."
kvoa.com/Global/story.asp?S=6864993&nav=HMO6HMaW

Posted by: Bill W
Date: July 31, 2007 4:29 PM

oops, sorry for the double post. :(

Posted by: Bill W
Date: July 31, 2007 4:30 PM

AP style has VECO in all caps.

Posted by: Tom
Date: July 31, 2007 4:32 PM

Is this Stevens' perp-walk photo?

I think Delay's was much better.

Posted by: Slippery Slope
Date: July 31, 2007 5:11 PM

RE: Senator (Convicted) for Life Stevens Legal Defense Fund.

Among many considerations to augment his legal defense fund-- Sen. Stevens may need to resort to auctioning the 'naming rights' to Ted Stevens Anchorage International Airport.

jw1

Posted by: jw1
Date: July 31, 2007 5:15 PM

FBI - Stevens-844

Name:	Remember personal info?
<input type="text"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No
Email Address:	
<input type="text"/>	
URL:	
<input type="text"/>	

adn.com

Anchorage Daily News

[Print Page](#)

[Close Window](#)

Stevens' ties

(Published: August 1, 2007)

These three projects tied to Sen. Ted Stevens have come under question:

Alaska SeaLife Center

Trevor McCabe, a former aide to Sen. Ted Stevens and a business partner of Stevens' son Ben, was able to sell the derelict Arcade building to the federally funded SeaLife Center when Ted Stevens earmarked a special appropriation to the science center and aquarium in 2005. The matter is now under investigation by the Interior Department's inspector general.

Stevens' Girdwood home

In 2000, Stevens more than doubled the size of his official residence. The main contractor said the oil field service company Veco reviewed more than \$100,000 in invoices prior to Stevens paying them. On Monday, the FBI and IRS spent 12 hours inside the home under a search warrant as part of an investigation into whether Stevens paid for the entire project.

National Archives site

A Senate subcommittee is asking questions about the National Archives' purchase in 2004 of an Anchorage lot for \$3.5 million, according to Capitol Hill publication Roll Call. The sellers, Leonard Hyde and Jonathan Rubini, two former business partners of Sen. Ted Stevens, more than doubled their investment in a year. Stevens earmarked the appropriation to purchase the site, though there was no indication he personally benefited.

[Print Page](#)

[Close Window](#)

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-845



Sen. Craig: Stevens Suspicious of FBI M.O. Behind House Search

Wednesday, August 01, 2007

FOX NEWS

WASHINGTON —

Sen. Ted Stevens, currently the subject of an FBI corruption probe, is questioning the modus operandi of the FBI in the daylong search of his home in Girdwood, Alaska, fellow western state colleague Sen. Larry Craig said Wednesday.

Craig said Stevens, who has avoided the press as much as possible working in his secluded Capitol hideaway office, told him that he had been informed by the FBI that he was under investigation and agents were going to search his home.

Stevens apparently recounted to Craig that he said okay and offered to send the agency a key to his house, but the FBI official who contacted Stevens refused the offer and instead said agents had ways of getting in on their own.

That's just what they proceeded to do on Monday when FBI and IRS officials showed up with a locksmith in tow. They were able to enter the home on their own, though an array of media were there to capture the scene for posterity.

"The story then became the FBI break-in into the home, the raid, when instead, if Ted had been able to give them the key, because he intended to cooperate, the story would be much different," Craig said, calling it appropriate to question the FBI's motive.

"Was the media told of ... William Jefferson's freezer raid?" Craig asked, referring to a raid on the Louisiana congressman's home in New Orleans that turned up \$90,000 in cash wrapped in aluminum and stuffed into frozen food boxes.

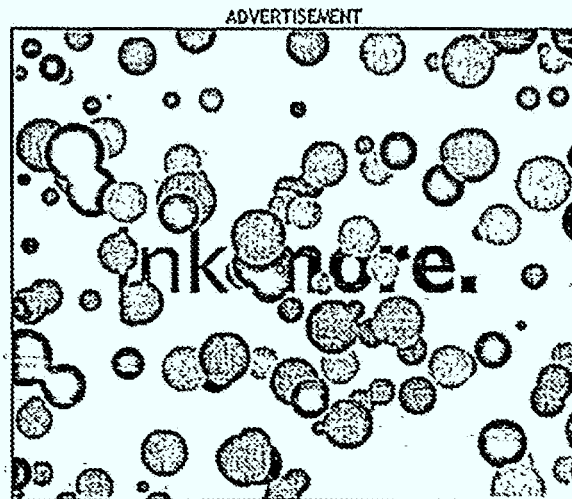
"They appeared to stage an event for the sake of publicity. ... It would be very intimidating to me," Craig added.

Stevens originally had been under investigation over possible assistance he may have received for home remodeling from a business partner and owner of Alaska's largest oil engineering firm, VECO Inc. former CEO Bill Allen pleaded guilty in May to bribing state officials.

Stevens has not been charged, but the investigation has now spread to the Commerce and Interior departments, which are looking into questions about whether federal funds Stevens steered to an Alaska wildlife research center may have enriched a former aide. Stevens formerly headed the Senate Appropriations Committee, making him one of the most powerful lawmakers on Capitol Hill. He is currently the ranking Republican on the Commerce Committee.

After the Monday raid, Stevens issued a statement insisting he did nothing wrong and saying he didn't want to comment while the investigation is ongoing.

FBI - Stevens-846



On Capitol Hill this week, Stevens, 83, moved quickly while dodging questions from reporters. He appeared on the Senate floor on Wednesday looking tired after also attending a Commerce Committee hearing. Some interest groups had suggested he be stripped from his committee assignments while the probe is underway.

In his first speech since the raid, he briefly explained that he was absent from a morning vote because he was at Arlington National Cemetery for the internment services for Gen. Alan Brightwiser, a good friend of his whose top aide was with Stevens when the two survived an airplane crash in 1978 that killed Stevens' wife.

Afterward, when asked about the Craig account of his suspicions regarding the FBI, Stevens defiantly told FOX News, "You got my statement from my office." Pressed further, he quietly said, "I'm having a good day. How about you?"

FOX News' Trish Turner contributed to this report.

SEARCH

GO

[Click here for FOX News RSS Feeds](#)

Advertise on FOX News Channel, FOXNews.com and FOX News Radio

[Jobs at FOX News Channel.](#)

[Internships At Fox News \(Summer Application Deadline is March 15, 2007\)](#)

[Terms of use.](#) [Privacy Statement.](#) For FOXNews.com comments write to foxnews@foxnews.com; For FOX News Channel comments write to comments@foxnews.com

© Associated Press. All rights reserved.

This material may not be published, broadcast, rewritten, or redistributed.

Copyright 2007 FOX News Network, LLC. All rights reserved.
All market data delayed 20 minutes.

FBI - Stevens-847

TPM MUCKRAKER.COM

They've got muck.
We've got rakes.

About | Archive | RSS
Advertise | Contribute
Comments | Hot Tips?

Search the site:

 last three months -

What's in the FISA Bill?

White House, Congress FISA Talks Collapse

Jefferson Office Raid Unconstitutional

FULL ARCHIVE | TPM MUCKRAKER HOME

THIS JUST IN:

RULES PANEL STRIKES MOLLOHAN EARMARKS
The House Rules Committee, prompted by a request from Rep. Alan Mollohan (D-WV), effectively struck three earmarks that the lawmaker himself had asked for from the Agriculture appropriations bill Wednesday night. (The Hill)

FEMA SUSPENDS USE OF DISASTER TRAILERS
The Federal Emergency Management Agency has stopped donating and selling disaster trailers while it studies reports that people living in them after hurricanes Katrina and Rita got sick from formaldehyde exposure. (Associated Press)

JUDGE BACKS CIA IN SUIT ON MEMOIR
Valerie Wilson may be the best known former intelligence operative in recent history, but a federal judge in New York ruled Wednesday that she was not allowed to say how long she worked for the Central Intelligence Agency in the memoir she plans to publish this fall. (NY Times)

DOCUMENTS SAY ARMY KNEW OF EXAM CHEATING
The Army was warned at least six years ago that its online testing program was vulnerable to cheating, and has known for nearly a year that soldiers are obtaining copies of exams and answers on the Internet to fraudulently obtain promotion points, according to military documents. (Boston Globe)

D.C. TO PAY \$1 MILLION TO PROTESTORS
The District of Columbia has agreed to pay \$1 million to 120 protesters who were improperly rounded up by the police



Sen. Ted Stevens (R-AK) (ustda.gov)

Senate Aide's Disclosure Shows No Payments From Stevens

By Laura McGann - August 3, 2007, 10:30 AM

If the Senate aide who has been accused of handling Sen. Ted Stevens' (R-AK) personal finances while on the government clock received separate payments from the Alaska senator, she didn't list them on her public financial disclosure in 2006, the AP reports

Roll Call reported yesterday that the aide, Barbara Flanders, didn't disclose any additional personal income in 2007 either.

Flanders' involvement in the ethics scandal aired Tuesday when press reports said she testified before a grand jury about Stevens' finances and provided documents. Flanders is a former personal aide to Stevens and now is supposed to work full time for the Senate Commerce, Science and Transportation Committee. It appears she also handles Stevens' bills. If she wasn't paid for this work, Stevens should have listed her services as a gift on his own disclosure forms, which he has not done. If accurate, this kind of an arrangement is a violation of federal law.

Stevens' office offered a vague denial of wrongdoing:

Stevens' spokesman, Aaron Saunders, said in an e-mailed statement: "As the former chairman of the Senate Ethics and Rules Committees, Senator Stevens has vast knowledge and experience with the Senate rules. He has long-standing office policies that are consistent with these rules, including personally compensating staff members for performing tasks that are outside their official duties."

Permalink | Comments (20) | TOPICS: Ted Stevens

FBI "Gestapo-like" In Raid Of Stevens' Home

By Laura McGann - August 2, 2007, 5:44 PM

Sen. Larry Craig (R-ID) called the tactics used by FBI and IRS agents who raided Sen. Ted Stevens (R-AK) home "Gestapo-like" today, the Crypt reports.

Craig's main objection seems to be that the agents could have parked a large

FBI - Stevens-848

MUCK RESOURCES

U.S.A. Scandal Timeline
TPM Document Collection
Bios of Key Players
Grand Old Docket

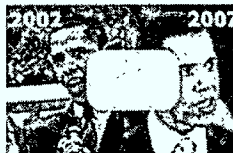
HOT TOPICS

Alberto Gonzales
Ted Stevens
Surveillance
U.S. Attorneys
Subpoenas
Lisa Murkowski
Iraq
Must Read

ADVERTISERS:

Advertise here
Obama for America

JUDGMENT MATTERS
WATCH BARACK



Then AND Now

Paid for by Obama forAmerica

It's time to project strength through diplomacy again, and time to turn the page on the same insider thinking that led Congress to authorize George Bush's

war in Iraq.
Advertise here
New video reveals...



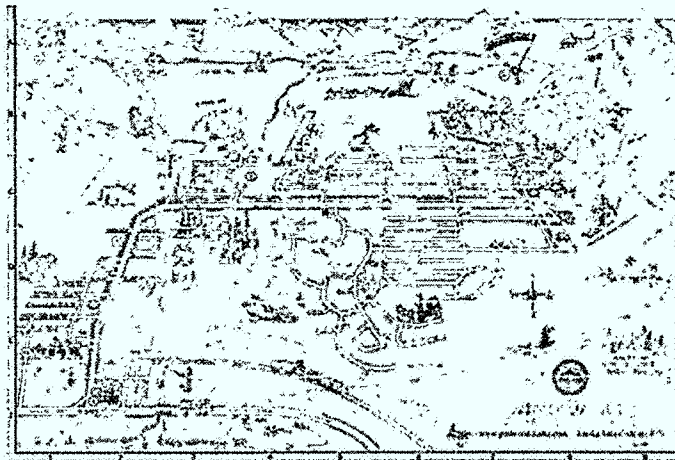
Worse than Bush?

Watch for yourself.

How to change the debate in '08.

Advertise here 8/3/2007 5:14 PM

white truck in front of Stevens' Girdwood home, photographed it and the neighboring property and carried out black trash bags (presumably filled with evidence) much more discreetly than they did. Maybe Craig's never been to Girdwood, because I just consulted our handy Girdwood map and it looks like it might have been tough for a dozen federal agents to have shown up at the most famous Alaskan's house without any of the neighbors noticing:



From the Crypt:

"I think some people say, 'Ah, but for the grace of God go I.' Especially when you have the allegations, you have the judicial segment of our government, the executive branch, out raiding the homes of senators, that is a very frightening proposition. It is a bit Gestapo-like in its style and tactics," Craig said on Wednesday. "When the FBI was offered a key and invited into the home, they chose publicize it to make sure the media was there first, and they broke in. That is gamesmanship. That makes senators very, very angry when they attempt to cooperate when for reason they are caught in these webs and yet they are denied that for the sake of the judiciary's publicity. That is wrong."

[Permalink](#) | [Comments \(24\)](#) | [TOPICS: Ted Stevens](#)



Uncle Ted's Eateries

By Laura McGann - August 1, 2007, 6:35 PM

Planning to eat at Uncle Ted's tonight? If you are, plan on canceling.

A former aide to Sen. Ted Stevens (R-AK) filed papers in 2004 to create a restaurant company called Uncle Ted's Alaska LLC. But, unfortunately, it looks like the aide got cold feet last year, right around the time his boss' criminal investigation came to light. A few weeks following *The Anchorage Daily News'* initial coverage of the scandal, the aide, Trevor McCabe, dissolved the company. "Decision not to pursue original business idea," is the only explanation.

According to documents McCabe filed with the state, he was registered to run eating and drinking places, food stores and miscellaneous retail stores. Perhaps

he had a vision for a chain restaurant devoted to foods loved by Stevens, who is

FBI - Stevens-849

known as "Uncle Ted" up in his home state. Alas, we'll never know (we can only offer our suggestion of "Big Boy" inspired icon). I can imagine a mean salmon sandwich, you could even call it a "Murkowski" for fun. Certainly pork (ribs? chop? roast?) would have been in generous supply.

This wouldn't have been the first time that McCabe used his relationship with Stevens for his benefit -- a connection that's become clearer due to the federal investigation of Stevens. He served on a marketing board with Stevens' son, Ben Stevens, that provided federal grants to the seafood industry, while they were paid "consulting fees" by the same companies receiving the money. He also benefited from a string of the elder Stevens' earmarks that have come under FBI scrutiny.

[Permalink](#) | [Comments \(17\)](#) | [TOPICS: Ted Stevens](#)



Sen. Ted Stevens (R-AK) (ustda.gov)

Company Tied To Stevens Fishery Scandal Got \$3.5 Million Earmark

By Laura McGann - August 1, 2007, 12:54 PM

One of the companies involved in the widening federal probe into Alaska political corruption is positioned to benefit handsomely from a \$3.5 million earmark tucked into a 2008 Senate spending bill by Sen. Ted Stevens (R-AK), CQ reports.

The company, Trident Seafoods Corp., was one of several that received federal money via a local board headed by Stevens' son, Ben Stevens. While the younger Stevens dolled out federal grants supplied by his father, he received "consulting fees" from an association formed by the same companies winning the grants. Trident CEO Charles Bundrant contributed \$6,700 to the elder Stevens' campaign and affiliated PACs since 2004. He also gave the National Republican Senatorial Committee \$35,000 between 2005 and 2007.

The earmark CQ notes is for an airstrip that would service seafood giant Trident, and the 100 Alaskans who live in Akutan.

Trident and Stevens are no strangers. For years, company founder and Chief Executive Charles Bundrant has been a generous contributor to the Alaska Republican's campaigns. And in December, according to the *Seattle Times*, a federal grand jury investigating political corruption in Alaska ordered Trident and other seafood companies to produce documents detailing financial ties to the senator's son, former Alaska Fisheries Marketing Board Chairman Ben Stevens.

FBI - Stevens-850

[Permalink](#) | [Comments \(24\)](#) | [TOPICS: Ben Stevens : Ted Stevens](#)



Senate Leadership Backs Stevens

By Laura McGann - August 1, 2007, 11:52 AM

Members of the Senate leadership told *The Hill* that Sen. Ted Stevens (R-AK) should be allowed to keep his committee seats.



Sen. Ted Stevens (R-AK) (WDCPIX.com)

Two watchdog groups have pushed to have Stevens temporarily removed from his committee assignments until the conclusion of a federal criminal investigation looking into his dealings with oil services company Veco and a series of earmarks that benefited one of his pet projects in Alaska.

Unlike in the House, the Senate has adopted a "wait and see" posture:

Senate Majority Leader Harry Reid (D-Nev.) and Minority Leader Mitch McConnell (R-Ky.) both said Tuesday that Stevens could continue serving on his Senate panels, since charges have not been brought against him.

"My personal feeling is that we have to be very careful about punishing people during an investigation," Reid, a former longtime appropriator, said Tuesday. "I don't know anything about the Stevens investigation, but I'm not going to be in a position where just because someone's under investigation they're punished here in the Senate."

[Permalink](#) | [Comments \(28\)](#) | [TOPICS: Ted Stevens](#)

Stevens Vows To Block Ethics Bill

By Laura McGann - July 31, 2007, 6:47 PM

Just when we thought there was no more Sen. Ted Stevens (R-AK) news for the day, John Bresnahan hears that he's promising to block ethics legislation.

You couldn't make this up:

Republican Sen. Ted Stevens, whose home back in Alaska was raided by federal investigators Monday in a wide-ranging corruption investigation, has threatened to place a hold on the Democratic-drafted ethics legislation just passed by the House and expected on the Senate floor by week's end.

The senator told a closed session of fellow Republicans today, including Vice President Dick Cheney, that he was upset that the measure would interfere with his travel to and from Alaska — and vowed to block it.

And Sen. Larry Craig (R-Idaho), confirming Stevens' threat, said bluntly: "There could be a lot of holds on this bill."

[Permalink](#) | [Comments \(40\)](#) | [TOPICS: Ted Stevens](#)



Stevens' Financial Clerk Testifies Before Grand Jury

By Laura McGann - July 31, 2007, 3:05 PM

A Senate clerk for Sen. Ted Stevens (R-AK) has testified before a grand jury about the remodeling of the senator's home overseen by Veco, the AP reports.

The Commerce Committee clerk, Barbara Flanders, who assisted Stevens with his personal financial records, also handed over documents related to the

FBI - Stevens-851

...finances and is...
 Sen. Ted Stevens (R-AK) (WDCPIX.com)

she knew about how the murky home remodeling project bills were paid.

Flanders is not the first Capital Hill staffer to be brought in to the investigation. Some of Stevens' former aides have already been questioned by the FBI.

Stevens has artfully claimed he paid every bill he received for the work done on his house. But the contractor on the job has described a suspicious payment process. The contractor, Augie Paone, said he would submit invoices to Veco (the major oil services company up in Alaska) and then would receive payment from Stevens. Paone also said the checks were all coming from a special account set up for the job.

The AP also confirms that Interior Department investigators have joined in the investigation, probing a series of earmarks Stevens obtained: "The Interior Department's inspector general and the Commerce Department have also joined the case to investigate Stevens' connections with a Seward, Alaska, marine science organization that operates the Alaska SeaLife Center."

[Permalink](#) | [Comments \(14\)](#) | [TOPICS: Ted Stevens : Veco](#)



Sen. Ted Stevens (R-AK) (WDCPIX.com)

Stevens Investigation Broader Than Veco Home Makeover

By Laura McGann - July 31, 2007, 12:15 PM

It's official: the FBI is looking into more than Sen. Ted Stevens' Veco-overseen remodeling project. *Roll Call* reports that the FBI and the Department of Interior are also looking into a series of earmarks for one of Stevens' pet projects.

The project, the Alaska SeaLife Center in Seward, Alaska, has received some \$50 million in federal money since 1998. One of Stevens' former aides, Trevor McCabe, was paid \$558,000 of

that money for an adjacent piece of land. Federal investigators want to know more about the arrangement.

It wasn't the only time that federal money found its way to McCabe's pocket. McCabe is also tied to the federal investigation of Stevens' son, former state Senate President Ben Stevens. The FBI raided the younger Stevens' offices last year, gathering documents related to his time on an Alaska board that handed out millions in federal grants to the seafood industry. While Stevens was on the board, he partnered with McCabe in a consulting company that took fees from the companies that received the federal money. The older Stevens saw to it that the board was stocked with federal funds.

If the three-pronged federal investigation into Stevens run by the IRS, FBI and Interior Department doesn't impress you, *Roll Call* mentions that the raid of a US senator's home is a historical moment in Congressional corruption: "Stevens appears to be the only member of the Senate to have ever had his residence raided by the FBI."

FBI - Stevens-852

[Permalink](#) | [Comments \(9\)](#) | [TOPICS: Ted Stevens](#)



CREW: Stevens Should Step Down from DoJ Committee Spot

By Paul Kiel - July 31, 2007, 11:48 AM



Sen. Ted Stevens (R-AK) (ustda.gov)

Another D.C. watchdog, Citizens for Responsibility and Ethics in Washington, has joined the call for Sen. Ted Stevens (R-AK) to relinquish his committee seats, this time focusing on Stevens' seat on the committee that funds the Justice Department. Says CREW director Melanie Sloan:

"Senators should follow the lead of their House colleagues and require anyone whose property has been searched in connection with a criminal probe to relinquish his plum

committee post. Senator Stevens, who sits on the subcommittee responsible for funding the Justice Department, which is conducting a probe into his potentially criminal activities, should immediately resign his position on the Appropriations committee."

A similar situation occurred in the House earlier this year, where Rep. Alan Mollohan (D-WV), who's been under federal investigation since last April, did not step down from his chairmanship of the panel that oversees the Justice Department's budget. Mollohan, however, recused himself from Department matters. That recusal has been called into question, however. *Roll Call* reported (sub. req.) yesterday that Mollohan nevertheless voted against an amendment last week that would have increased the FBI's budget by \$6 million.

[Permalink](#) | [Comments \(4\)](#) | [TOPICS: Ted Stevens](#)

Watchdog: Stevens Should Step Down from Committee Posts

By Paul Kiel - July 31, 2007, 10:48 AM

Below is the letter the nonpartisan D.C. watchdog Taxpayers for Common Sense sent to Senate Minority Leader Mitch McConnell (R-KY) this morning asking that Sen. Ted Stevens (R-AK) get the temporary boot from his committee seats.

The letter:

FBI - Stevens-853

The Honorable Mitch McConnell Minority Leader United
States Senate Washington, DC 20510

July 31, 2007

Dear Leader McConnell:

I'm writing to request that you ask Senator Ted Stevens (R-AK) to temporarily recuse himself from his committee assignments until the federal criminal investigation into his activities has been resolved.

Under Minority Leader John Boehner (R-OH), House Republican leadership have created a precedent of self-policing by asking lawmakers under federal investigation to leave their committee assignments until the investigation is completed, particularly after a search warrant has been executed on their home or business. By urging Rep. Rick Renzi (R-AZ) and Rep. John Doolittle (R-CA) to leave their committee assignments, Leader Boehner drew a proverbial ethics line in the sand that he will not cross. Now that a search warrant has been issued and executed in his home, it is time for Senator Stevens to do the right thing and step down from his committee assignments.

We don't make this request lightly. Senator Stevens has served the people of Alaska in the Senate for 37 years. Like every target of a federal investigation or criminal defendant, Senator Stevens is entitled to due process and remains innocent until proven otherwise. But the standard for holding a powerful committee position should not hinge on the absence of a criminal conviction. Even the appearance of using public office for personal profit undermines public confidence in Congress. A judicial finding of probable cause that a search of the Senator's home would produce evidence of a crime certainly has the effect of harming the public trust.

There is growing evidence that Senator Stevens may have used his powerful perch on the appropriations committee to direct tens of millions of dollars of earmarks to benefit family, friends, business partners and former staff. We think you would agree that the use of public office for personal profit in any way, shape, or form cannot be condoned. Indecisiveness will harm the public trust and current Senate efforts on ethics reform. The Senate needs to take decisive action to show taxpayers that self-dealing will not be tolerated.

Thank you for your attention on this matter.

Sincerely,

Ryan Alexander
President
Taxpayers for Common Sense

FBI - Stevens-854

[Permalink](#) | [Comments \(9\)](#) | [TOPICS: Ted Stevens](#)



Today's Must Read

By Laura McGann - July 31, 2007, 10:08 AM

Two dozen FBI and the IRS agents took a close look yesterday at the infamous remodeling job overseen by Veco Corp. that doubled the size of Sen. Ted Stevens' (R-AK) home, snagging him in the widening probe into Alaska political corruption.



Sen. Ted Stevens (R-AK) (WDCPIX.com)

orful details.

The agents were at Stevens' improved home in the small town of Girdwood with curtains drawn well into the night -- collecting evidence and shooting photos and video of the house and neighboring property. The FBI and IRS declined to comment on the raid, but a reporter perched outside Stevens' home got a pretty good idea of what was going on:

The agents were obviously cataloging the house and its fixtures, from light switches

and electrical outlets to a big stainless steel barbecue grill on a second-floor deck that neighbors said was hoisted there with a crane. At one point, agents climbed on the pitched metal roof to take pictures of heat tape in the gutters.

One agent carried a full large black garbage bag out of the house and put it in the white truck.

Stevens, who is the most senior Republican in the Senate, sits on the Commerce, Science and Transportation and Appropriations committees. Known for his aggressive earmarking, watchdog group Taxpayers for Common Sense will ask Senate Minority Leader Mitch McConnell (R-KY) to temporarily remove Stevens from his posts until the federal investigation ends, according to Roll Call (sub req.):

According to a source with the group, this will be the first time TCS has ever made such an appeal. But the organization will argue in a letter to McConnell that given the current public concern with Congressional ethics, he should take a path similar to one the House GOP leadership has followed and request that Stevens relinquish his seats on the two powerful committees until the investigation is completed....

In the letter, TCS President Ryan Alexander will argue that McConnell should ask Stevens to step down "until this federal investigation can be resolved and the public trust restored," said the source, who spoke on condition of anonymity because the letter had not yet been completed as of this posting.

Stevens' son, former state Senate President Ben Stevens has been implicated in receiving questionable payments from Veco executives, and Rep. Don Young (R-AK) is under federal investigation for his ties to the company as well.

Update: See the letter from Taxpayers for Common Sense [here](#)

[Permalink](#) | [Comments \(23\)](#) | TOPICS: [Must Read](#) : [Ted Stevens](#)

FBI - Stevens-855

BREAKING: FBI Raids Stevens Alaska Home

By Paul Kiel - July 30, 2007, 6:51 PM

From the Anchorage Daily News:

Federal law enforcement agents are currently searching the Girdwood home of Alaska U.S. Sen. Ted Stevens, an FBI agent said.

"All I can say is that agents from the FBI and IRS are currently conducting a search at that residence," said Dave Heller, the assistant special agent in charge of the FBI's Anchorage office. The search began this afternoon, he said.

That's the same home, of course, that was doubled by a renovation undertaken in 2000 -- the contractor, curiously, was Veco, the corrupt oil company. Veco, prosecutors have pointed out "was not in the business of residential construction or remodeling." And that's not all that's curious about the renovation.

[Permalink](#) | [Comments \(26\)](#) | TOPICS: Ted Stevens



Rep. Don Young (R-AK)
(House Website)

Don Young Under Federal Criminal Investigation

By Laura McGann - July 24, 2007, 9:09 PM

The Wall Street Journal reports that 18-term Rep. Don Young (R-AK) is under criminal investigation for his dealings with Alaska oil services company Veco Corp.

While the investigation into Sen. Ted Stevens' (R-AK) ties to Veco, including the remodeling of his Girdwood home, has been widely reported, this is the first time Young has been implicated in the scandal.

It looks like an annual pig-roast fundraiser snared the congressman known for huge pork projects, including the infamous "Bridge to Nowhere."

From *The Journal*:

For a decade, former VECO Chief Executive Bill Allen has held fund-raisers for Mr. Young in Anchorage every August, known as "The Pig Roast," participants said. Public records show contributions to Mr. Young of at least \$157,000 from VECO employees and its political-action committee between 1996 and 2006, the last year the event was held.

Mr. Young amended his campaign-finance filings in January to reflect \$38,000 in payments to Mr. Allen, the former VECO chief. The refunds, which haven't previously been reported, were labeled "fund-raising costs" in documents filed with the Federal Election Commission.

Veco has been the recipient of a variety of federal contracts, but it's still not clear what the company would have received in exchange for all of its alleged bribes.

[Permalink](#) | [Comments \(29\)](#) | TOPICS: Don Young : Ted Stevens

FBI - Stevens-856



Ted Stevens Foundation Late To Register, Pay Fees

By Laura McGann - July 24, 2007, 5:48 PM

The Ted Stevens Foundation was founded in 2000 aiming to serve a variety of admirable causes and work on "educating and informing the public about the career of Senator Ted Stevens." The extent of its charitable



Sen. Ted Stevens (R-AK) (WDCPIX.com)

filing a FOIA request with Alaska, the Sunlight Foundation discovered that the group has failed to pay its dues and register with the state for last three years.

A shortage of money isn't their excuse. Back in 2005 The Ted Stevens Foundation, which was renamed North to the Future Foundation last year, had net assets of \$1.7 million in 2004 and \$2.3 million in 2005.

Besides spreading the word about Stevens' accomplishments, the group also aims "to make grants to other

public charities and to provide programs which educate, encourage communication, relieve poverty and promote community welfare throughout the state of Alaska and the United States."

How successful has it been at giving out money? According to Sunlight's research:

Between 2003 and 2005 the foundation has spent more than \$380,000 on fundraisers but has given out only two grants: one for \$40,000 to the Smithsonian Institute in 2004 and \$10,000 to the Anchorage Rowing Association in 2005, according to the 990s.

So, then, what does this non-profit actually do? Back in 2004 *The Washington Post* ran an editorial taking a guess at the real purpose: to shake down lobbyists for the benefit of sitting politicians.

At an event held at the Capital Hilton in 2004, The Ted Stevens Foundation aimed raise \$2 million with tables going for \$50,000 each. Some lucky donors had a VIP at their table -- one of the two thirds of the Senate members that attended. At the time, Stevens was the chair of the Appropriations Committee and lobbyists were happy to donate to his "charity" for a little time by his ear.

The Washington Post editorial cuts at the heart of the problem with this kind of a "non-profit":

When foundations like this are set up for the benefit of sitting lawmakers, requests for contributions have the inevitable air of a shakedown: What lobbyist with an interest in appropriations matters would fail to give to Mr. Stevens's charity? Meanwhile, the money can come from corporations that are prohibited from giving directly to the senator's reelection campaign, and in far larger denominations than ordinary campaign contributions. All of this activity is subsidized by the taxpayers, since contributions to the fund are tax-deductible. Most disturbing of all, the Stevens foundation -- unlike some of the other charities with ties to lawmakers -- doesn't plan to disclose its donors or the amounts they give.

FBI - Stevens-857

[Permalink](#) | [Comments \(11\)](#) | [TOPICS: Ted Stevens](#)



Stevens To Walk Backward Through Alaska

By Laura McGann - July 23, 2007, 5:29 PM

Sen. Ted Stevens (R-AK) announced his plans this week to start an Alaska awareness program where he'll guide



Sen. Ted Stevens (R-AK) (ustda.gov)

demonstrate its unique needs -- which require lots of federal funds.

The guided tours will show capital politicians (maybe bloggers, too?) how vast and remote the state really is, especially for those in rural villages.

Interestingly, Stevens had a specific rule for the press conference where he unveiled his plan:

Stevens said he wouldn't answer any questions with the word "investigation" in them, which ruled out questions about the federal inquiry into renovations that doubled the size of his Girdwood home in 2000. No charges have been brought, but a federal grand jury has questioned people involved with it.

[Permalink](#) | [Comments \(17\)](#) | [TOPICS: Ted Stevens](#)



Sen. Ted Stevens (R-AK) (WDCPIX.com)

Stevens' Artful Dodge

By Laura McGann - July 18, 2007, 2:42 PM

Sen. Ted Stevens (R-AK) gave an artful explanation of how he paid for the remodeling of his home yesterday -- so flagrantly artful that quite a few TPM readers have written in to flag it as a "non-denial denial."

The longest-serving Republican senator was defending himself from accusations that oil-services company Veco Corp. paid for the renovation project that doubled the size of his Girdwood, Alaska house in 2000. A grand jury in Washington has started looking into the job because of Veco's bizarre role as general contractor.

As a practical matter, I will tell you. We paid every bill that was given to us. Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to

it. It's our own money.

Notice Stevens didn't say he paid for the whole job: he paid for what he was sent.

And who was sending him the invoices?

According to the sub-contractor, Augie Paone, who was hired by Veco to handle the construction work, he would give his bills to Veco (not Stevens) for review. Then, payment from Stevens would arrive in the mail. The checks all came from a special account set up specifically for the remodeling job, Paone told the press a few months ago. He recently hired a lawyer and is no longer speaking publicly.

We haven't received a response on our request for clarification from Stevens' office.

[Permalink](#) | [Comments \(18\)](#) | [TOPICS: Ted Stevens : Veco](#)

FBI - Stevens-858



Sen. Ted Stevens (R-AK) (WDCPIX.com)

Stevens Needs Second Disclosure Extension

By Laura McGann - July 17, 2007, 11:45 AM

Sen. Ted Stevens (R-AK) is getting another extension to file his financial disclosure forms:

Spokesman Aaron Saunders said he could not elaborate on what changes needed to be made and issued a brief written statement.

"The Ethics Committee has completed its review and has asked Senator Stevens to make a few technical clarifications to his disclosure," the statement said. "To make these minor adjustments, the Committee has granted the Senator another extension."

The disclosure paperwork was due May 15, but Stevens missed that deadline. He skirted it by asking the Senate Ethics Committee to review his finances from the previous year. Other lawmakers facing legal troubles, like Rep. John T. Doolittle (R-CA) and Sen. Robert Menendez (D-NJ), did the same.

[Permalink](#) | [Comments \(15\)](#) | [TOPICS: Ted Stevens](#)



Sen. Ted Stevens (R-AK) (WDCPIX.com)

Stevens' Popularity Sinks To New Low

By Laura McGann - July 16, 2007, 11:26 AM

I'll bet he hopes the grand jury has a better opinion of him.

A new poll shows that only 44% of Anchorage voters have a positive attitude about Sen. Ted Stevens (R-AK).

That's quite a dip for Stevens, according to pollster Ivan Moore, who said that between September 2005 and April 2007 the senator's popularity rating ranged between 58 percent and 63 percent.

Stevens isn't too concerned:

"Moore is an opinion-making pollster, not an opinion-taking pollster," Stevens told the Fairbanks Daily News-Miner.

FBI - Stevens-859

[Permalink](#) | [Comments \(7\)](#) | [TOPICS: Ted Stevens](#)

Alaska Lawmakers to Get Ethics Refresher

By Laura McGann - July 13, 2007, 11:49 AM

Sharpen those number 2 pencils, Alaska lawmakers. In a move to combat the corruption scandals that launched the FBI's probe into the state's politics, a new

state law requires legislators to undergo ethics training.

Gov. Sarah Palin signed the law earlier this week, right after former state Rep. Tom Anderson (R) was found guilty of seven counts of extortion, bribery, conspiracy and money laundering. Anderson was accused of taking bribes from the private prison industry in exchange for pushing for facilities across the state.

The legislature hopes the new law will help clean up its image.

House Bill 109 tightens up the definition of bribery, requires legislators to make financial disclosures when leaving office, puts new disclosure requirements on consulting fees and meals purchased by lobbyists for lawmakers and makes numerous other clarifications in laws applying to both the executive and legislative branches.

[Permalink](#) | [Comments \(7\)](#) | [TOPICS: Ted Stevens](#)



Sen. Ted Stevens (R-AK) (WDCPIX.com)

The Senate: One Happy Family

By Laura McGann - July 11, 2007, 2:40 PM

The family that's investigated together, stays together.

Sen. Ted Stevens' (R-AK) said his fellow senators have stood by him now that he faces federal scrutiny for his involvement with oil field services company Veco Corp.

During an interview with reporters last week in Alaska, a local public radio station grabbed audio of Stevens saying:

There is sort of a cloud out there, but it's not harmed my role as a senator for Alaska, if anything, it's a strange thing, it's enhanced it because senators read papers too, and it's sort of a family, the senate family comes around when someone's got a problem. And

they've all encouraged me: "Don't get excited about this because so many people have been through it in their own states and it's not an easy thing."

Too bad Sen. Conrad Burns (R-MT) wasn't around to provide a shoulder to cry on.

The audio is online [here](#).

FBI - Stevens-860

[Permalink](#) | [Comments \(8\)](#) | [TOPICS: Ted Stevens](#)



Stevens Secured Big Federal Money For Business Partners

By Laura McGann - July 10, 2007, 11:14 AM

The federal government has been very good to two of Sen. Ted Stevens' (R-AK) business partners, Leonard



Sen. Ted Stevens (R-AK) (WDCPIX.com)

(b. req.) John Stanton of *Roll Call*.

In 2004, Stevens slipped them a \$3.5 million earmark for an empty plot of land in Anchorage that was to be used by the National Archives and Records Administration. The deal meant \$2 million profit for Hyde and Rubini.

What's happened since the initial windfall for Stevens' business partners? Not much:

Since the land deal was finished, federal funding has slowed significantly for the project. Despite a price tag of

at least \$29 million in construction costs, Stevens appears to have taken only modest interest in securing funding for the project since the land transfer. Stevens set aside \$3 million in 2005 for site preparation, while the archives earmark diminished to just \$1.9 million last year.

However, according to a May 11, 2007, Anchorage Daily News story, \$290,000 tagged for the construction has been reprogrammed for a new speed-skating-rink project being planned next to the NARA land. Stevens also secured a \$940,000 earmark specifically for the skating rink in 2004, according to the story.

Stevens' help to secure federal money for business contacts is atypical. *Roll Call* surveyed the senators seated on the 29-member committee about whether any of their business ties receive federal dollars:

Of the 19 Senate Appropriations Committee members whose offices responded to requests for comment, out of 29 on the committee, Stevens was one of only two members who disclosed a direct business relationship between themselves or their spouses and an entity that receives federal funds — and was the only member of the powerful committee who has such a relationship himself.

Stevens is already in trouble with federal investigators for allowing an oil services company to oversee the renovation of his home in Alaska. He was quoted yesterday by the Associated Press saying the probe "could cause me some trouble."

Permalink | Comments (10) | TOPICS: Ted Stevens



Stevens: Investigation "Could Cause Me Some Trouble"

FBI - Stevens-861

By Laura McGann - July 9, 2007, 3:45 PM

Sen. Ted Stevens (R-AK) told the Associated Press that the ongoing federal probe into his dealings with oil services company Veco could have ramifications at the polls:

"The worst thing about this

Investigation is the key to change your life in terms of employment potential," Stevens said in an interview with The Associated Press. "It doesn't matter what anyone says, it does shake you up. If this is still hanging around a year from November, it could cause me some trouble."

Stevens also commented on his home remodeling project overseen by Veco that's reportedly of interest to investigators:

"I'm working to get this concept out of my mind that someone is trying to make something illegal out of all this. That's what's really disturbing."

While Stevens was in Washington, Veco executives made sure his house was safely ratcheted off the ground and a new first story slipped in.

Permalink | Comments (15) | TOPICS: Ted Stevens : Veco



Sen. Ted Stevens (R-AK) (WDCPIX.com)

Kenai River Classic: Where Politicians And CEOs Go Fishing

By Laura McGann - July 9, 2007, 3:23 PM

This weekend the annual Kenai River Classic brought together members of Congress, like Sen. Ted Stevens (R-AK), and heads of major defense companies to help raise \$1 million for Alaska salmon habitat preservation.

The 200 or so participants (who each contributed at least \$4,000) were shown a good time. They fished the Kenai River for giant king salmon where a hospitality boat handed out bloody marys and cigars and they wine and dined along the riverfront. The *Anchorage Daily News* has two great photos you can see [here](#).

The annual event has gone on for 14 years, drawing major corporations as donors, including Lockheed Martin,

Northrop Grumman, Raytheon, Boeing and the heavily-investigated BAE Systems.

But some locals have piped up about the invitational, saying it does more harm than good. This year, the Kenai Area Fisherman's Coalition took out an opposition ad in the print edition of the local paper to complain about the environmental and community damage caused by the event. You can see the print ad [here](#). The group, which includes 10 fish biologists, calls the message of the fundraiser disingenuous, arguing that the money ends up promoting non-sustainable growth along the river, ultimately hurting the habitat. The alliance is also rallying against the murky politicking taking place.

"People get seduced by 'were helping save the river,'" said Ken Tarbox, who is a member of fisherman's group. "Lockheed Martin doesn't care about this river. A lot of people in the community here would not support this if they knew what was going on."

Tarbox, and others, have said what is really going on is favor swapping. The ad highlights what Stevens said at the 2002 River Classic, as captured by the *Anchorage Daily News*:

FBI - Stevens-862

"We invite people we think can afford to put a contribution into the till," [Stevens] said, "and people they want to meet."

By we, Stevens likely meant his co-host Bob Penney and himself. Penney is a longtime campaign contributor who co-owns a racehorse with the senator and has brought Stevens in on at least one incredible deal. Penney also testified before a grand jury as part of the ongoing and expanding federal probe of Sen. Stevens and Republican state lawmakers.

[Permalink](#) | [Comments \(8\)](#) | [TOPICS: Ted Stevens](#)

Ted Stevens Hires Ollie North's Lawyer

By Laura McGann - July 2, 2007, 6:16 PM

Taking his lead from Oliver North, Sen. Ted Stevens (R-AK) has hired Brendan V. Sullivan, Washington's most expensive and most powerful lawyer, *The Washingtonian* reports.

The move makes it look like Stevens isn't taking any chances in the ongoing federal probe into his dealings with Alaska oil services company Veco Corp.

Sullivan is used to going to bat for heavy weight defendants, including North, former HUD Secretary Henry Cisneros, who pled guilty to a single misdemeanor at the end of a \$9 million probe, and four FBI agents involved in the 1992 Ruby Ridge shootout.

[Permalink](#) | [Comments \(5\)](#) | [TOPICS: Ted Stevens](#)



Sen. Ted Stevens (R-AK) (ustda.gov)

Retired Fisherman Spoke With FBI About Stevens

By Laura McGann - June 26, 2007, 6:17 PM

While former state Senate President Ben Stevens (R-AK) headed a seafood grant board that his father, Sen. Ted Stevens (R-AK) funded with millions in federal dollars, the younger Stevens took in thousands of dollars in consulting fees from the very companies that won the allocations. At least some of those fees, one retired Alaska fisherman has said under oath, were veiled bribes.

The fisherman, Victor Smith, spoke with the FBI in Seattle last year, just before a grand jury in Alaska issued at least three fisheries subpoenas. Smith said the agents wanted information on how the Stevenses were connected to the fishery scandal that he and others have complained and written about for years. "They were mainly interested in payments to Ben Stevens and anything I had related to Ted Stevens," Smith told me.

In a signed affidavit (available [here](#)), Smith recounts a meeting between two affiliated fishery associations where the head of one group fielded a question from a member. The member wanted to know how Ben Stevens would be paid \$500,000 now that his father had gotten \$53 million for a project that would benefit the industry. According to Smith's affidavit:

* The reply from Zuanich was "I'm confident that, with a little convoluted accounting, we can keep the payments to Ben Stevens off of PSVOA's books."

FBI - Stevens-863

Since 2001, the younger Stevens has pulled in upwards of \$775,435 in consulting fees, according to the *Anchorage Daily News*. Though, the Alaska Public Offices Commission recently fined Stevens \$5,630 for failing to disclose \$480,000 in payments he received from various companies. The complaint against Stevens was filed by former Alaska state representative Ray Metcalfe who has followed Stevens' relationship with the fisheries for years. Metcalfe estimates that Stevens has been paid at least \$904,000 in fees by fisheries between 2000 and 2005. Smith's affidavit was included in the complaint.

Stevens was already roped into the ongoing federal investigation in Alaska when an executive at oil services company Veco Corp. pled guilty in May to bribing him with \$240,000. His father is also under investigation for his dealings with Veco as well, including for having his home remodeled under the company's oversight.

[Permalink](#) | [Comments \(22\)](#) | [TOPICS: Ted Stevens](#)



Sen. Ted Stevens (R-AK) (WDCPIX.com)

More Reasons For A Far Away Stevens Investigation

By Laura McGann - June 26, 2007, 2:09 PM

We noted last week that a Washington, DC grand jury -- rather than one in Anchorage -- is investigating Sen. Ted Stevens' (R-AK) shifty involvement with oil services company Veco Corp. Today the *Anchorage Daily News* offers more fodder for why federal investigators would want to set up shop so far from home.

The story is about the headache prosecutors are nursing in selecting a jury for the trial of former state Rep.

Tom Anderson (R-AK). Anderson is charged with taking \$24,000 in bribes from a company hoping to build a number of private prisons in Alaska. Though the case is not directly tied to the Veco scandal, Anderson was a Veco consultant while in office.

Prosecutors are hitting two problems with potential jurors that cut in opposite directions: their apparent low regard for local politicians and the inevitable ties within a small community. Here's what two rejected jury candidates had to say about Anderson:

"I've already made up my mind," Donald Burns of Soldotna told a U.S. District Court judge on Monday. Burns, wearing a T-shirt and a baseball cap, said he listens to talk radio, watches TV news and reads two newspapers. "I hope they hang him," he said.

...

When longtime Anchorage resident Hannah Davis heard about the charges against Anderson, her reaction was, "Oh no, not another one," she told the judge. Too often, people in power, from Anchorage to Washington, D.C., use their positions for personal gain, she said.

As for community ties, one potential juror said she had gone on a date with Anderson and said she found the accusations "kind of unbelievable."

How a potential jury would receive Stevens if he were ever on trial is hard to say. Stevens has been in office since 1968 and is an Alaska icon, bringing his

FBI - Stevens-864

state millions in federal dollars. His re-election campaign has already raked in \$1 million and no viable competitor has stepped up to the plate. But some in the state have called him less popular and more vulnerable than in past elections. However a jury might cut for Stevens, it's clear that a prosecutor won't find 12 Alaskans who've never heard of him.

[Permalink](#) | [Comments \(22\)](#) | [TOPICS: Ted Stevens : Veco](#)



Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Fisheries Netted In Federal Alaska Probe

By Laura McGann - June 22, 2007, 6:00 PM

Sen. Ted Stevens (R-AK) had his son, former state Senate President Ben Stevens, head a board that distributed \$12 million in federal grants to promote seafood companies that, at the same time, paid the younger Stevens upward of \$775,000 in "consulting fees."

This arrangement has caught the FBI's attention. Last fall, at least three fisheries were issued grand jury subpoenas to hand over documents related to the lobbying

and consulting work provided by the younger Stevens and a former aide to Sen. Stevens, Trevor McCabe. The subpoenas also sought any documents connected to the older Stevens. Two of the companies are based in Seattle, and another is in Juneau.

Since 2001, companies in the industry have paid Stevens upwards of \$775,435 in "consulting fees," the *Anchorage Daily News* has reported, for work that Stevens has never publicly explained. Others have said Stevens has pulled in even more fees. The Alaska Public Offices Commission recently fined Stevens \$5,630 for failing to disclose \$480,000 in payments he received from various companies. The complaint (pdf) against Stevens was filed by former Alaska state representative Ray Metcalfe who has followed Stevens' relationship with the fisheries for years. Metcalfe estimates that Stevens has been paid at least \$904,000 in fees by fisheries between 2000 and 2005.

Stevens' arrangement with the seafood industry is strikingly similar to his setup with the oil services company, Veco. Former chief executive of Veco pled guilty just a few weeks ago to bribery charges, including paying Stevens \$240,000 in "consulting fees" as a bribe for favorable legislation. The media focus on the probe in Alaska has so far been on Veco, but it looks like there is plenty of fishery work for the grand jury to investigate.

[Permalink](#) | [Comments \(24\)](#) | [TOPICS: Ted Stevens : Veco](#)



Stevens' Friend That Testified Is Also Business Partner

By Laura McGann - June 21, 2007, 6:17 PM

Anchorage real estate developer Bob Penney, who testified before a grand jury about the bribery scandal in Alaska, is good to his friend Sen. Ted Stevens (R-AK).

So good that he brought Stevens in on a real estate deal that fetched the senior

FBI - Stevens-865



Sen. Ted Stevens (R-AK) (ustda.gov)

vestment in just five years. The investment, reported by The Anchorage Daily News in 2004, sheds some light on the financial ties between the two (via Nexis):

Penney said he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country. We respect him very, very much."

The group of investors purchased a 96-acre plot 30 miles outside of Salt Lake City, Utah in a growing area with a plan to sell off individual pieces over the course of ten years. Stevens' \$15,000 ballooned to at least \$100,000 and possibly as much as \$250,000.

The real estate deal is not the only financial endeavor between the two. Penney is also part of a group of investors called Alaska's Great Eagle (a nod to Stevens' days as a pilot in WWII) who bought a race horse with the senator and former chief executive of Veco, Bill Allen.

While Veco oversaw the renovation of Stevens' Girdwood, Alaska home, the horse's manager, Bob Persons checked in on the remodeling project while Stevens was in Washington.

Persons was ordered by the Washington grand jury to produce documents going back more than eight years, including all letters, e-mails and other documents involving Ted, his wife, Catherine, or Ben Stevens. Specifically mentioned were records about a race horse partnership, Alaska's Great Eagle, he manages for Ted Stevens, Allen, Allen's son Mark, Penney and others.

So far, the main focus of the Stevens investigation has focused on the Veco remodeling project.

Permalink | Comments (12) | TOPICS: Ted Stevens : Veco



Sen. Ted Stevens (R-AK)

Veco Gives, But What Does It Receive?

By Laura McGann - June 19, 2007, 7:04 PM

Over the course of the federal probe in Alaska, it's become clear that oil services company Veco dabbled in shady dealings -- some connected to Sen. Ted Stevens (R-AK) and his son Ben, a former state senator. Two top executives, who've pled guilty to bribing state lawmakers, have also played general contractor for Sen. Stevens and doled out

\$240,000 in "consulting" fees to his son. Veco has contributed more than \$70,000 to Stevens' campaigns over the years (making the company his second largest donor), and \$25,000 more to his political action committee.

FBI - Stevens-866

But what has Veco fetched in return?

As easy as it has been to document Alaska lawmakers who've fed their campaign funds and lined their pockets with Veco money, it's less obvious how the company has directly benefited in return. Here's a glimpse at what Sen. Stevens has done directly for the company. Back in 2003 *The Los Angeles Times* ran a story about family ties amongst lawmakers and corporations (via Nexis):

VECO had helped build a \$70-million pipeline for Pakistan, but the government was slow to pay. As it happened, Pakistan

desperately needed congressional help on a trade issue, and Ted Stevens was positioned to block the necessary legislation. Before long, Pakistan's representatives in Washington concluded that their trade bill would go nowhere until Pakistan settled with VECO and its partners. Pakistan agreed to arbitration. The bill sailed through.

Other clear cut examples aren't so easy to come by, but generally speaking Veco has done well for itself securing federal contracts. The company has won National Science Foundation contracts twice. One contract from 2005 was worth \$100 million to provide "Arctic research support and logistics services in Alaska, Greenland, the North Pole, Canada, Russia and other Arctic locations." The company has also disclosed other lucrative-looking contracts, though the exact values are unknown.

The question is: How many of those contracts received the helping hand of Sen. Stevens?

[Permalink](#) | [Comments \(14\)](#) | [TOPICS: Ted Stevens : Veco](#)



Sen. Ted Stevens (R-AK) (ustda.gov)

AP: FBI Questions Former Stevens Aides

By Paul Kiel - June 19, 2007, 5:12 PM

And the federal investigation into Sen. Ted Stevens (R-AK) continues to gain steam:

Former Capitol Hill aides to Sen. Ted Stevens are being questioned by the FBI as part of an investigation into the senator's relationship with a wealthy contractor.

A lawyer close to the case, speaking on condition of anonymity because the investigation is still under way, confirmed the FBI had recently questioned former Stevens

aides about Bill Allen, a contractor who has pleaded guilty to bribing Alaska legislators.

[Permalink](#) | [Comments \(3\)](#) | [TOPICS: Ted Stevens](#)



Ted Stevens' Friend Testified Before Grand Jury

By Laura McGann - June 19, 2007, 1:59 PM

FBI - Stevens-867

If you're a CEO looking to help preserve fish habitats and catch a 60 pound salmon in one weekend, Bob Penney is your man.

He is also old friends with Sen. Ted Stevens (R-AK). *The Anchorage Daily News* reported this weekend that Penney testified before a grand jury in Alaska a few weeks ago as part of the ongoing federal inquiry into corruption



Sen. Ted Stevens (R-AK) (ustda.gov)

Penney is a fresh face in the probe that has grabbed Stevens, and had already touched the senator's son, Ben Stevens; several other state lawmakers; and two top oil services executives at Veco, both of whom have pled guilty to federal corruption charges.

The longtime Alaskan entrepreneur is known for founding the Ted Stevens Kenai River Classic over ten years ago to help protect the sports-fishing river that is home to a wild salmon run. The weekend event now draws politicians from as far away as Washington and executives from donors like Veco, Lockheed Martin, Boeing and Shell.

Here is a description of the 2002 tournament from the *Anchorage Daily News* (via Nexis):

Ashore, people flowed around Bob Penney's big riverfront house Monday evening, headed for the broad expanse of paved driveway that runs down to it. There, flanking a sound system, stood a couple of hefty trophies topped with fiberglass king salmon. The opening ceremony of the ninth annual Kenai River Classic was about to occur.

In the river of people were United States senators, the secretary of labor, the governor, most of the hierarchy of the Department of Fish and Game, a couple of state legislators, the mayor of Anchorage, the president of the Kenai Peninsula Borough Assembly, the president of the University of Alaska, a soft-spoken former astronaut, a retired famous college basketball coach, a few entertainers, a writer with a new book about Alaska and executives from many, many companies. They constituted, as they do every year, the greatest concentration of political and economic power in Alaska.

Though officially meant to raise money to preserve the river, Stevens breaks down what the event is really meant to do:

"We invite people we think can afford to put a contribution into the till," [Stevens] said, "and people they want to meet."

Many of those in his audience had paid \$6,000 for themselves and a guest to attend. Along with corporate sponsorships -- the opening dinner was put on by Alaska Communications System and Veco -- and the proceeds from an auction, the fees meant the tournament could gross \$1 million, as last year's did.

Penney declined to tell the *Anchorage Daily News* what he said in his testimony. So far he has no obvious ties to Stevens' infamous home remodeling project, which has caught the FBI's eye.

FBI - Stevens-868

[Permalink](#) | [Comments \(17\)](#) | [TOPICS: Ted Stevens : Veco](#)



2nd Strain of Probe Proceeds Far from Stevens' Sway

By Paul Kiel - June 19, 2007, 12:29 PM

As the *Anchorage Daily News* reported yesterday, a federal grand jury has been investigating Sen. Ted Stevens' (R-AK) ties to the corrupt Alaskan oil company, Veco. Both the

former CEO and vice president have pled guilty to corruption charges.



Sen. Ted Stevens (R-AK) (WDCPIX.com)

But just as surprising as the fact of the investigation is the location of it: far away from Alaska, in Washington, D.C.

The heavy lifting in the probe so far has been done by a grand jury in Anchorage, Alaska. That investigation has resulted in a number of guilty pleas by executives and indictments of state lawmakers.

But the existence of the second grand jury raises the question of why prosecutors split the investigation. *ADN* went to the experts and came up with a number of theories:

Legal experts in corruption cases said that while it's unusual for prosecutors to use grand juries in separate jurisdictions in an investigation, they may have sound reasons. The experts also cautioned that even though prosecutors may be presenting evidence to a grand jury, that doesn't mean crimes have been committed.

Paul Butler, a law professor at George Washington University and a former federal attorney who prosecuted a U.S. senator and several FBI agents, said it could simply be a matter of convenience for witnesses.

Jules Epstein, a law professor at the Widener University School of Law in Wilmington, Del., and a criminal defense lawyer, said the grand juries could be investigating separate, unlinked crimes.

Peter Henning, a law professor at Wayne State University in Detroit, said prosecutors might bring a case against a popular elected official in Washington to avoid being "home-courted."

Given that witnesses in the probe have been flying out from Alaska to testify, I think it's fair to discount the "convenience" explanation.

But that prosecutors might have chosen D.C. as the venue to make their case against Stevens -- and perhaps his son, Ben, a former state senator, who's been implicated in charging documents -- makes a whole lot of sense. There's simply not a more powerful figure in Alaska (or perhaps in the history of Alaskan politics) than Sen. Stevens, who's served in the Senate since 1968, and who even, back in 1958, played a role in shepherding Alaska to statehood while working at the Interior Department.

By bringing their case in D.C., prosecutors avoided the task of making their case in Stevens' backyard, where the vestiges of his power are everywhere. As the senior senator from the state, Stevens has traditionally even been responsible for tapping candidates for the local U.S. attorney spot -- though the Justice Department notably overruled the senator when appointing a replacement last September.

FBI - Stevens-869

Prosecutors also avoid having to convince a jury full of Alaskans who grew up surrounded by landmarks named after Stevens, who's responsible for bringing back tens of billions of dollars to the state over the past forty years.

One of the lawyers involved in the case certainly thought that's what prosecutors are up to:

Penney's attorney, Bruce Gagnon, said of [Alaska businessman Bob] Penney's appearance before the grand jury: "I think you know as well as I do what they're interested in." Asked whether that was Ted Stevens and Ben Stevens, Gagnon said, "Yeah,

yeah."

"And why are they going off in Washington, D.C., as well as here?" Gagnon wondered out loud. "It may well be because they want to try this case back there."

[Permalink](#) | [Comments \(14\)](#) | [TOPICS: Ted Stevens](#)



Sen. Ted Stevens (R-AK)

Paper: Grand Jury Examines Stevens Ties to Oil Co

By Paul Kiet - June 18, 2007, 9:35 AM

From the *Anchorage Daily News*:

A federal grand jury in Washington, D.C., heard evidence last month about the expansion of U.S. Sen. Ted Stevens' Girdwood home in 2000 and

other matters connecting Stevens to the oil services company Veco Inc....

The existence of the Washington grand jury investigation is the strongest indication to date that Stevens himself has become a subject of the wide-ranging federal probe that surfaced with FBI raids on state legislative offices last August. Former State Sen. Ben Stevens, Ted Stevens' son, was among the legislators whose offices were searched. Ben Stevens has denied wrongdoing.

Earlier this month, Sen. Stevens admitted that the FBI has asked him to preserve records relevant to his ties to Veco.

[Permalink](#) | [Comments \(18\)](#) | [TOPICS: Ted Stevens : Veco](#)



Sen. Ted Stevens (R-AK)

Stevens Asks For Extension To File Financial Disclosure Forms

By Laura McGann - June 15, 2007, 10:48 AM

Sen. Ted Stevens is following in the footsteps of Rep. John T. Doolittle (R-CA) and Sen. Robert Menendez (D-NJ), who are both under federal investigation, by asking for a review of his financial records from last year,

allowing him to put off filing his official disclosure forms.

The forms were due to the Senate Ethics Committee by May 15, but Stevens' were not among them. *The Washington Post* and *McClatchy* report that the request for a review could be a sign that Stevens is in trouble with the law. From *McClatchy*:

Ethics reviews of lawmakers' financial reports are unusual unless they are under a legal cloud. A source close to Stevens' office said he has requested such reviews before, although this is the first time it has delayed the report's release.

Last week Stevens admitted that the FBI has asked him to hold on to documents they may want to review as part of its ongoing probe into a corruption scandal in the state. His son, former Alaska State Senate President

FBI - Stevens-870

Ben Stevens has already been snared by the investigation. The head of a local oil services company, Veco Corp., pled guilty to conspiracy and bribery charges, implicating the younger Stevens in receiving some \$240,000 in illegitimate consulting fees.

The Washington Post points out who else has asked for a filing extension:

Nearly 80 lawmakers received extensions for their financial disclosures, which are required by federal law. Knowingly filing false disclosure forms is a federal crime. Prosecutors have aggressively pursued apparent violations in recent corruption investigations on Capitol Hill, including those of former congressmen Randy "Duke" Cunningham (R-Calif.) and Robert W. Ney (R-Ohio), both of whom are now in prison.

Other lawmakers who have faced financial scrutiny and received extensions include Sen. Robert Menendez (D-N.J.), who is under federal investigation for renting property to a nonprofit organization while also pushing for federal grants for the nonprofit, and Rep. John T. Doolittle (R-Calif.), who is under investigation for his wife's firm doing unspecified work for imprisoned lobbyist Jack Abramoff while her husband performed legislative favors for him.

[Permalink](#) | [Comments \(2\)](#) | [TOPICS: Ted Stevens](#)



Sen. Ted Stevens (R-AK)

Ted Stevens Admits Involvement In FBI Probe

By Laura McGann - June 7, 2007, 11:24 AM Sen. Ted Stevens (R-AK) has admitted he is involved in the FBI's probe into Alaska lawmakers' dealings with oil services company Veco Corp. In an interview with the *Washington Post*, tight-lipped Stevens said he is getting ready to hand over documents to investigators.

"They put me on notice to preserve some records," Stevens said in a brief interview about his legal team's discussions with the FBI. He declined to say what kinds of records were involved but confirmed that he had hired lawyers and that his son, former state Senate president Ben Stevens, "is also under investigation."

It's no surprise that the FBI has asked Stevens for records now that his home remodeling job overseen by Veco has caught investigators' eye. But this does appear to be Stevens' first official public comment about the federal probe. Stevens' acknowledgment that his son is under investigation firms up what the press pieced together in May. Former Alaska Senate President Ben Stevens was identified by the press as "state senator B" described in the guilty pleas of two former Veco executives. The Veco executives admitted to giving Stevens about \$240,000 in "consulting fees" that required no work in exchange for political favors. Stevens was the only lawmaker to fit the description. [Permalink](#) | [Comments \(10\)](#) | [TOPICS: Ted Stevens : Veco](#)

FBI - Stevens-871

Alaska Lawmakers: Kohring, Get Out

By Laura McGann - June 5, 2007, 11:51 AM Alaska state lawmakers have had it with one of their own. Two Republican leaders in the Alaska legislature confronted Rep. Vic Kohring (R-AK) in his home to push him to resign instead of dragging them all down. Kohring has been indicted as part of the wide federal probe into Alaska politicians dealings with oil services company Veco Corp. *The Anchorage Daily News* reports:

Prosecutors have accused Kohring, a Republican, of selling his vote on the state petroleum tax last year to the Anchorage oil field services company Veco Corp. Kohring and two former legislators also under indictment have pleaded not guilty. Veco executives Bill Allen and Rick Smith pleaded guilty to conspiracy, bribery and tax charges. Allen and Smith have since resigned from Veco.

The probe has brushed Sen. Ted Stevens (R-AK), whose house got a makeover seven years ago under Veco's direction. The senator's son, former Alaska Senate President Ben Stevens, has also been tied to the investigation by local press who concluded he was one of the lawmakers to take cash from Veco executives who recently pled guilty to federal bribery and conspiracy charges. [Permalink | Comments \(6\) | TOPICS: Ted Stevens : Veco](#)



Sen. Ted Stevens (R-AK)

Stevens' Contractor Hires a Lawyer, Opts To Keep Quiet

By Laura McGann - June 4, 2007, 9:39 AM An Alaska contractor, Augie Paone, painted most of the picture we have of how a major state oil services company oversaw the renovation of Sen. Ted Stevens' (R-AK) house. After giving a few interviews last week, Paone has hired a lawyer and will no longer comment publicly. I spoke with

Paone's wife on the phone yesterday who said the family would not release the lawyer's name. The lawyer has advised them to stay quiet, she said. It's too bad the Paones felt the need to lawyer up, though it's probably not that surprising. In an interview with the *Anchorage Daily News*, Paone said he was "uncomfortable" with taking the renovation contract initially because he had not provided an estimate to Veco Corp., the company that handled the job for Stevens while the senator was in Washington:

"I didn't suspect anything, but I just wanted to make sure," he said. "When you work with a house of a legislator or a senator, you make sure you hold on to all the billings, just in case something happens."

That was a good move. The job has piqued federal investigators' interest as part of a broad investigation into public corruption in Alaska. Six months ago the FBI asked Paone for records and invoices from the job. He also testified before a grand jury. Paone said he had done work for Veco Corp.'s offices and for a company executive before they offered him the work on Stevens' home seven years ago. He charged normal rates, but saw the job as a favor – a favor he couldn't decline to offer – rather than a typical contract:

"Bill Allen (Veco CEO) and some of the Veco boys, some of the Veco guys, were the ones that approached me and wanted to know if I could give them a hand," Paone said. "I did it more as a favor, you know. It's one of those things when somebody is the head, and packs that much power and asks you for a favor, it's kind of hard to say no."

FBI - Stevens-872

Allen pled guilty to bribing five state legislators last month in a classic cash-for-votes scheme. One of the charges stems from a meet-up between State Rep. Pete Kott in a hotel suite where Kott complained about having "to cheat, steal, beg, borrow and lie," to ensure government-backing of a pipeline valuable to Veco. In response to the legislator's complaints, Allen said: "I own your ass." Sounds like Allen would take a "no thank you" well. [Permalink | Comments \(8\) | TOPICS: Ted Stevens : Veco](#)



Veco's Adventures in



Sen. Ted Stevens (R-AK)

Sub-Contracting

By Laura McGann - May 31, 2007, 6:18 PM As we reported a couple of days ago, the federal investigation into a bribery scheme centering on one of Alaska's biggest oil services companies has crossed paths with Senator Ted Stevens (R-AK). And Stevens' problems seem to come down to some highly creative methods Stevens used to remodel his Alaska

home. According to contractor Augie Paone, it all started when a group of unnamed "friends" got together to renovate the senator's house as a weekend project. The group of friends ended up being unable to pull it off. But in the group's defense, the job was pretty ambitious. The plan was to ratchet the one-story house off its foundation, build a new first floor and then place the old first floor on top of the new first floor. Unfortunately for the do-it-yourselfers, they ran into a few problems. That's when the local contractor, Paone, came into the picture. Paone has provided most of the sordid details in this story, since none of the other players are talking. According to Paone, it wasn't Stevens who sought him out to fix the mangled construction, but oil company Veco Corp. It's not clear how involved Veco had been in the do-it-yourself phase of the remodeling. But Paone says Veco was in charge when he came on board. Veco hired Paone and collected and reviewed the \$100,000 worth of invoices he submitted as the project progressed. Paone would then receive payments signed by Stevens -- checks which according to Paone appeared to come from a special account created for the renovation. Paone says he didn't know Stevens before working on the house and dealt with Veco during the project. He told a local television station he doesn't think the arrangement raises any red flags.

"The senator doesn't know me, so some of the people I had contacts with were more familiar with the senator, so they kind of took over his interests and they kind of overviewed the billings. After they saw them, it was just faxed over to the senator and the senator a few days later just mailed me a check," Paone said.

Here's the straightforward arrangement: oil company decides to remodel senator's house, oil company finds contractor, contractor creates new first floor in senator's house, contractor sends invoices to oil company, oil company reviews bills, oil company faxes bills to senior senator, senior senator pulls cash from a special account set up specifically for the construction and pays contractor, senior senator never speaks to contractor. The arrangement looks fairly questionable on its face. And it looks even more questionable when you take Veco's track record into account. The person from Veco who hired Paone was Veco CEO Bill Allen. Allen happens to have just pled guilty this month to federal conspiracy and bribery charges for "giving things of value" to local lawmakers. In a court document accompanying his guilty plea, the *Anchorage Daily News* noticed a seemingly irrelevant description of what the company did not do while he was in charge: "Veco was not in the business of residential construction or remodeling." So far Stevens has refused to explain the arrangement. But it has piqued the FBI's interest and investigators are looking into it. Paone says the FBI interviewed him about six months ago and that he testified before a grand jury in December. In response to questions about the remodeling, Stevens' spokesman sent me a statement saying the senator is not commenting. [Permalink](#) | [Comments \(49\)](#) | [TOPICS: Ted Stevens : Veco](#)

FBI - Stevens-873

Sen. Stevens Denies Search of Home and Office

By Laura McGann - May 31, 2007, 4:15 PM What did the FBI search in the tiny Alaska town of Girdwood last summer? The mystery continues.



A spokesman for Sen. Ted Stevens' (R-AK) told me today it wasn't his boss' home or office -- two favored guesses. Stevens has been tightlipped in the FBI's broad probe into oil company Veco Corp.'s dealings with Alaska state and federal lawmakers. But today his office opened up slightly. Stevens' spokesman Aaron Saunders denied a raid of Stevens' home or office and sent me a copy of this local television story with the following portions underlined:

The FBI will not comment on whether Sen. Stevens is being investigated. But when the agency served search warrants on lawmaker's office last August, one search warrant was served in Girdwood. Agents said it wasn't at the senator's home or office, but they won't say where.

There's not much else in Girdwood. Any guesses? [Permalink](#) Comments (22) | TOPICS: Ted Stevens : Veco



Sen. Ted Stevens (R-AK)

Stevens Not A Target, Investigation Still a Problem

By Laura McGann - May 30, 2007, 2:22 PM
Yesterday we talked about how Sen. Ted Stevens' (R-AK) home improvement project has piqued the interest of federal investigators. A local oil company's involvement in hiring one of the contractors who built the new level to Stevens' single-story home -- underneath the existing

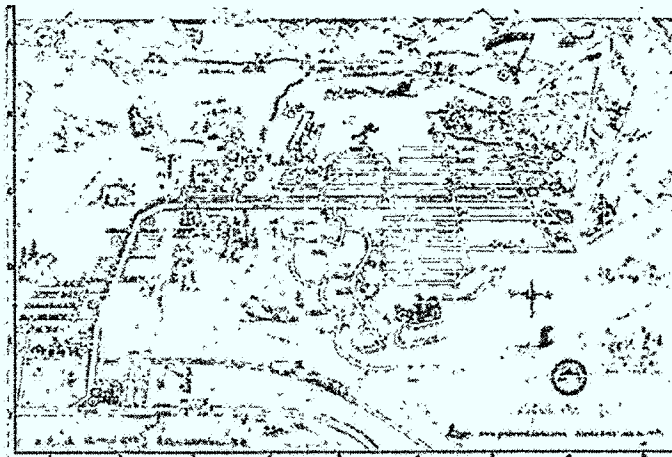
ground floor -- seems to be the questionable part. The Associated Press followed up today on the story by adding that two sources close to the investigation said "Stevens was not considered a target of the investigation." That won't comfort Sen. Stevens. The carefully-crafted language "I'm not a target" has been peddled by other politicians tied to investigations, like former Sen. Conrad Burns (R-MT) and Rep. John Doolittle (R-CA). The phrase makes the politician sound practically exonerated, when really, prosecutors tend to wait to send out a "target" letter until shortly before an indictment is issued. (Feel like pleading guilty? Now's your chance.) Former number two at the Interior Department J. Steven Griles was named a target in the Abramoff scandal in January; he pled guilty to lying to Congress in March. It's not clear how entwined Stevens is in the investigation, which has already led to the indictment of four current and former state officials. Two top executives from the oil company at the heart of the controversy, Veco Corp., pled guilty to conspiracy and bribery charges this month. But, both the AP and the Anchorage Daily News mentioned a search in the ski-resort town of Girdwood, where Stevens' newly doubled home sits. From *The Anchorage Daily News*:

The wide-ranging federal inquiry surfaced in August when agents raided six legislative offices, including those of

FBI - Stevens-874

then-Senate President Ben Stevens, one of Ted Stevens' sons. The FBI said at the time that it also had executed a search warrant in Girdwood, among other places, although the location of that search has never been officially disclosed.

The FBI hasn't said what it searched, but the list of possibilities isn't very long. Take a look at a map of Girdwood, population 2,000:



[Permalink](#) | [Comments \(37\)](#) | TOPICS: Ted Stevens : Veco



Sen. Ted Stevens (R-AK)

Extreme Makeover: Veco Edition

By Laura McGann - May 29, 2007, 12:24 PM Sen. Ted Stevens (R-AK) jacked his house off the ground, inserted a new first story and placed the old first floor on top, thanks to the help of a top executive at local oil company Veco Corp. who hired at least one key contractor to complete the feat of a job. Veco is entwined in a broad federal investigation that has led to the indictment of four current and former

Alaska politicians and ensnared former Alaska Senate President Ben Stevens, son of Ted Stevens. Local press concluded that Stevens was state "Senator B," listed in the charging documents of two former Veco Corp. executives who pled guilty to federal bribery and conspiracy charges, saying they gave the younger Stevens \$242,000 in illegitimate consulting fees. Neither Stevens has been charged with a crime. It's unclear how the senior Stevens' home doubling is connected to the broader investigation, but the Feds are now eyeing the construction job according to the Anchorage Daily News, which noticed a line in the Veco executives' plea bargains that could link the senator to the probe:

The sentence, preceded by a listing of a dozen Veco-related enterprises around the world, said: "Veco was not in the business of residential construction or remodeling."

Maybe they dabbled. [Permalink](#) | [Comments \(68\)](#) | TOPICS: Ted Stevens : Veco

FBI - Stevens-875

A Guilty Plea Hat Trick For Alaska

By Laura McGann - May 16, 2007, 4:45 PM A third corruption guilty plea since last week came out of Alaska yesterday. This time, prominent lobbyist Bill Bobrick owned up to a conspiracy to bribe former state Rep. Tom Anderson, who himself was indicted on seven felony counts of bribery, extortion and money laundering in December. Last week, top executives at one of Bobrick's client companies, VECO Corp., pled guilty to charges of bribing three state representatives and two senators. The Anchorage Daily News had the story on Bobrick this morning.

The prosecution says in court papers that Bobrick and Anderson began conspiring in July 2004. Bobrick created a sham company to funnel payments to Anderson in exchange for his doing the bidding of a private corrections company in the state Legislature, the prosecution says. Prosecutors quote Bobrick telling an informant that he and Anderson were "pitching a bunch of people" to get money for the legislator.

[Permalink](#) | [Comments \(6\)](#) | [TOPICS: Ted Stevens : Veco](#)



Sen. Ted Stevens (R-AK)

Another Bridge, Another Part of Nowhere

By Laura McGann - May 14, 2007, 12:15 PM

When your bid to build a bridge to nowhere is shut down, try to get federal funding for another bridge, to a different part of nowhere — where your friends own property. John Stanton of Roll Call wrote a great story (Sub. Req.) that parses out the likely motivations for the Alaska Congressional

delegation's work over the last few months to snag federal cash for a bridge to connect an area where no one lives to Anchorage. Why bother to invest in infrastructure to nowhere? Well, it could make the remote area, called "Knik Arm," a major suburb, but more importantly, folks with familial and political ties to Republican Rep. Don Young and Sens. Ted Stevens and Lisa Murkowski would profit:

If the area is successfully developed, that could mean a significant windfall for a number of people close to the Congressional delegation — including Young's daughter, Joni, Stevens' chief of staff and campaign manager and Murkowski's state director — some of whom purchased land in the area just a few months before then-Transportation and Infrastructure Chairman Young began substantive work on a massive highway bill in early 2003.

Here's more from Roll Call:

According to land records compiled by the Matanuska-Susitna Borough, Senate financial disclosure forms and published accounts, Stevens' current Chief of Staff George Lowe owns a 2.6 acre parcel of undeveloped land on the Knik Arm, which he purchased in December 2004 from the Alaska Mental Health Trust Authority, according to a copy of the deed. ... Former Stevens aide Lisa Sutherland also stands to see significant financial gain from the development of Knik Arm. Sutherland, a close confidante of Stevens, worked for the lawmaker from 1977 until this March in a variety of capacities, including deputy staff director on the Appropriations Committee and then staff director on the Commerce, Science and Transportation Committee. Sutherland left the Senate payroll in March to work full time on Stevens' re-election campaign.

FBI - Stevens-876

[Permalink](#) | [Comments \(54\)](#) | [TOPICS: Ted Stevens](#)



Veco: A Mucky Force in Alaska Politics

By Laura McGann - May 8, 2007, 6:24 PM

Veco Corp., the oil company at the center of a bribery scandal involving at least five lawmakers has spent the last three

decades establishing itself as a force in Alaska politics. Some 2,000 Alaskans

work for the company that cleaned up after the Exxon-Valdez catastrophe and controls a conservative opinion arm of the Anchorage Daily News. And, for lawmakers at the state and federal level, Veco is a major source of campaign financing. Two Veco heads, Bill J. Allen and Richard L. Smith, pled guilty yesterday to bribery charges for paying lawmakers for votes, including the former Alaska Senate President Ben Stevens, son of Sen. Ted Stevens. According to the plea agreement, Veco paid Ben Stevens about \$240,000 in consulting fees that were actually in exchange for political favors. Stevens' lawyer said his client is not guilty of any wrongdoing. Since 1993, Veco says it has completed about \$25 billion worth of projects involving oil refining, pipeline work and power production. Recently, it created a separate corporate entity to handle federal contracting, to meet "the recent growth in the market." Veco prides itself on honesty, which the company lists as its second priority behind safety, and just before being a "good corporate citizen" — they are, after all, engaged in the political process. [Permalink](#) | [Comments \(10\)](#) | [TOPICS: Ted Stevens: Veco](#)



Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Ted Stevens' Son Identified In Corruption Case

By Laura McGann - May 8, 2007, 12:11 PM Roll Call (sub req.) and the Anchorage Daily News named Ben Stevens, son of Sen. Ted Stevens (R-AK), as one of the unidentified legislators involved in the VECO cash-for-favors corruption scheme. According to charges filed Friday against two top executives at the oil company, Stevens' company allegedly received \$243,250 for consulting fees that were "in fact for the purpose of obtaining (Stevens') official support on matters

pending before the Alaska State Legislature." Ben's dad, Sen. Stevens, is pals with one of the executives, Bill J. Allen, who pled guilty to bribery charges yesterday. The two men belong to a group that bought a race horse named "So Long Birdie," for a bargain-basement price of \$40,000 in 2005.

Allen and his wife also have hosted numerous fundraising events for Stevens, as well as his fellow members of the Alaska delegation, Sen. Lisa Murkowski (R) and Rep. Don Young (R). A preliminary review of campaign finance records shows Allen and other executives at VECO have made \$206,900 in campaign contributions to the Alaska delegation, with more than \$72,000 of that total going to Ted Stevens.

Ted Stevens does not seem to be on prosecutors' radar screen in the corruption investigation. [Permalink](#) | [Comments \(53\)](#) | [TOPICS: Ted Stevens : Veco](#)

Top Veco Execs Plead Guilty To Bribery FBI - Stevens-877

By Laura McGann - May 7, 2007, 4:45 PM The Anchorage Daily News reports that top Veco Corp. executives pled guilty to bribery and conspiracy charges in federal court today, under a deal that could buy them gentler sentences in exchange for cooperation in an FBI corruption investigation. Bill J. Allen, Veco's chief executive, and Rick Smith, the company's vice president and chief lobbyist could sit behind bars for five to 15 years and shell out up to \$250,000 in fines on each count.

In the written charges, prosecutors say Allen and Smith conspired "to offer and provide things of value to" three state representatives and two senators, none of them named in the document. Among the specifics listed, Allen is accused of

paying a "special bonus" of corporate funds to certain Veco executives so they could make illegal campaign contributions.

The two executives will likely provide important testimony in the cases of three state legislators charged with extortion and bribery in federal court last week -- and the two anonymous state senators implicated in their guilty pleas. As reported by Paul on Friday, the indictment alleges a classic cash-for-votes corruption scheme. One of the legislators, Pete Kott, met with Allen in the executive's hotel suite where he complained about having "to cheat, steal, beg, borrow and lie," to ensure government-backing of a pipeline valuable to Veco. In response to the legislator's complaints, Allen said: "I own your ass." The indictment masks the identities of two Alaska state senators, calling them only by A and B. It's not clear if Alaska's Senate President Ben Stevens, son of U.S. Senator Ted Stevens (R-AK), whose office was raided by the FBI in August, is one of them. [Permalink](#) | [Comments \(18\)](#) | [TOPICS: Ted Stevens : Veco](#)

Feds Indict Alaska GOPers

By Paul Kiel - May 4, 2007, 6:06 PM I tell you, corruption doesn't get any uglier than Alaskan corruption. The investigation surrounding VECO an Alaskan oil company, has finally borne fruit. Two Republican members of the state legislature were indicted today, one of them the former speaker of the house. There's still no word on the fate of former state Sen. Ben Stevens, son of Sen. Ted Stevens (R-AK), who is also under investigation. Oh, and it's ugly. Pete Kott and Bruce Weyhrauch are on the hook for trading votes for cash and sweet jobs, plain and simple. From *The Anchorage Daily News*

The indictment says Kott asked executives of the unnamed company for money and a job after he left the Legislature. Weyhrauch, an attorney, asked for a job and legal work, the indictment says. On about Sept. 26, 2005, the indictment says, Kott called an unnamed company vice president and said, "I need a job." The vice president replied, "You've got a job; get us a pipeline," the indictment says.... In a meeting on April 18, 2006, Kott told the company executives, "You'll get your pipeline, the governor gets his bill, and I'll get my job in Barbados."... Kott met with the company executives in their hotel suite on May 7, the indictment says, and told them he had tried to defeat an amendment to the oil tax the company didn't like. "I had to cheat, steal, beg, borrow and lie," Kott said, according to the indictment. The company's chief executive responded, "I own your ass," the indictment says.

These two are among the same group of legislators who took a shine to calling themselves the "Corrupt Bastards Caucus." No wonder [Permalink](#) | [Comments \(71\)](#) | [TOPICS: Ted Stevens : Veco](#)

Alaska Finally Closes Bribery Loophole

By Paul Kiel - January 5, 2007, 9:45 AM Attention Corrupt Bastards, the loophole is closing:

A group of House Democrats wants to change a state law that they say allows politicians to sell their votes in exchange for campaign donations. That's right: It's not already a crime under state law, according to Anchorage Reps Les Gara and Harry Crawford, who filed a bill to close what they call a legal-bribery loophole.

FBI - Stevens-878

[Permalink](#) | [Comments \(1\)](#) | [TOPICS: Ted Stevens](#)

Dem Still Holding Pork Database Bill

By Paul Kiel - September 7, 2006, 8:20 AM An unknown Democrat is still holding the Coburn-Obama bill to create a searchable database of federal grants and contracts, *The Hill* reports. And that Senator is now the *only one* holding up the bill, since Sen. Ted Stevens (R-AK), who had reinstated his earlier hold, has since changed his mind dropped it. So who's that unknown Senator? We don't know. And neither do we know what concern the Senator has -- whether it's

about the bill's cost, as the Pork King claimed, or whether it's the speed with which the bill's been moving forward, as the pork-inclined senior senator from West Virginia asserted. Sure would be good to know, wouldn't it? [Permalink](#) | TOPICS: Reform: Ted Stevens



Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Alaskagate: While We Were Out

By Justin Rood - September 5, 2006, 12:34 PM Over the long weekend, more details emerged in the growing Alaska state legislature scandal, which has now involved more than two dozen search warrants and a growing posse of federal agents from around the country, and includes the IRS as well as the FBI. The probe has put two names in the headlines: Ben Stevens, president of the Alaska State Senate and son of Sen. Ted Stevens (R-AK), and VECO Corp., which has given generously not only to Alaska state legislators but to friendly

U.S. lawmakers as well, including Stevens senior. What are the feds investigating? Investigators appear to have a keen interest in legislation recently hammered out by Alaska Gov. Frank Murkowski (R). Currently awaiting passage by the state legislature, the deal would pave the way to build a \$21 billion natural gas pipeline to tap the state's North Slope reserves. VECO has been a strong supporter of the deal. However, the probe seems to have expanded -- in scope and in size -- past that one deal:

"They are after people paying for votes during the recent oil and gas special sessions. I think that was fairly transparent," said political pollster Marc Hellenthal, who said he was interviewed Friday afternoon by two FBI agents from Sacramento, Calif. Agents also told him what they are looking for "goes back longer than that."

The FBI has brought in agents from around the country for the investigation. The Internal Revenue Service and other federal agencies also are involved, Gonzalez said. The investigation has stretched to past legislators, including former Sen. Robin Taylor, R-Wrangell, who was interviewed Thursday by FBI agents. Taylor is now a deputy commissioner in the state Department of Transportation. "They interviewed him about his past as a lawmaker and his dealings with Veco," said Will Vandergriff, deputy press secretary for Gov. Frank Murkowski. "He said they are just expanding their net."

What's the Corrupt Bastards Caucus? It was apparently an inside joke among a dozen legislators singled out in a March 2006 *Anchorage Daily News* op-ed for donations they received from Alaska petro-giant Veco Corp. The moniker didn't appear in the article. Rather, "Somebody walked up and said, 'You corrupt bastards,' and that name stuck," Alaska House Finance Co-Chairman Mike Chenault (R) told the Daily News: **FBI - Stevens-879**

Hats were even made with the initials "CBC" on them, but "that was the extent of the CBC deal," Chenault said. . . . House Speaker John Harris, R-Valdez, said he saw [State Reps.] Smith and Kott handing out hats in June during the first special session when lawmakers voted down the petroleum tax bill. But he did not see anything with the "Corrupt Bastards Club" on it. "They were handing out hats down at the Baranoff (Hotel) at

the bar down there. All they had was "VECO" on them," Harris said. Chenault said he may still have a "CBC" hat, but he can't recall.

Permalink | TOPICS: Ted Stevens : Veco



Sen. Ted Stevens (R-AK)

From D.C., Alaska Senator Keeps An Eye (and A Hand) Out For His Son

By Justin Rood - September 1, 2006, 5:31 PM

Ah, how the bennies of the father are visited upon the son! A 2003 article counted at least nine separate cases in which Sen. Ted Stevens (R-AK) has done favors for companies or organizations which paid his son Ben over \$1.5 million in salary and "consulting fees." And there have been more since then. (The article, from the *Los Angeles Times*, was unearthed by the Washington, D.C.-based Sunlight Foundation.) Ben Stevens, president of the Alaska State Senate, recently had his offices raided by the FBI. News out of Alaska indicates the feds are looking for information surrounding a major resource legislation package that benefited at least one of the companies father Ted helped out, VECO Corp. Since the *Times* piece was published, the elder Stevens has done more favors which benefited Ben. In late 2003, the U.S. senator finagled a \$29 million earmark for "The Alaska Fisheries Marketing Board." Guess who got to chair the group -- which for two years did not disclose its activities? That's right: Ben Stevens. (A spokesman for the father said he merely "recommended" his son for the post.) And last December, it was revealed that Stevens senior inserted a provision into a bill worth \$10 million to a fishing venture for which his son Ben secretly held an investment option. The provision was estimated to be worth \$1.5 million to Ben. (In the end, Ben didn't collect that profit, however; the venture soured for unrelated reasons.) There's no evidence Ted Stevens is of interest to the investigation announced yesterday -- although he does have an office in the same town where one of the FBI warrants was executed. Keep in mind, however, investigators are required to follow up on any evidence of wrongdoing they come across. And judging by the news pictures, the FBI has been wheeling a lot of documents out of those offices. If they've already got reason to believe that evidence as outrageous as "Corrupt Bastards Club" hats exist, who knows what kind of stuff they might stumble across. Permalink | TOPICS: Ted Stevens : Veco

Alaska FBI Raid: PLEASE Tell Us They Found the Hats

By Justin Rood - September 1, 2006, 3:37 PM AP reports on the recent raid on Alaska lawmakers' offices, including those of Ben Stevens, son of Sen. Ted Stevens (R-AK):

Among the items federal agents were searching for in Alaska legislative offices this week are hats or garments labeled "Corrupt Bastards Club" or "Corrupt Bastards Caucus," according to the search warrant.

FBI - Stevens-880

Permalink | TOPICS: Ted Stevens



For AK Scandal Company, Money Can't Buy Happiness -- But Influence? Perhaps.

By Justin Rood - September 1, 2006, 12:16 PM

When FBI agents raided the offices of Alaska Senate President Ben Stevens and five other legislators, they were looking for

Sen. Ted Stevens (R-AK)

evidence of improper ties between those state lawmakers and a company called VECO Corp. That left some scratching their heads. What's VECO? Based in Alaska, the privately-owned, non-union company deals primarily in petroleum and petroleum-related services; its estimated revenue in 2004 was \$500 million, and it employs around 5,000 people worldwide. That's small by oil megacorporation standards, but it's big in Alaska, where the company has been called "a titan in the Alaskan oil industry." VECO has over two dozen subsidiaries, but it likes to spend money on influence. It's the top campaign contributor to both Alaska Sen. Lisa Murkowski (R) and its congressman, Don Young (R). And although it's only the second-biggest contributor to Sen. Ted Stevens (R), with over \$70,000 in donations to the senior senator from VECO employees (according to FECInfo.com), it keeps close ties to Stevens in other ways. For one, it's dumped \$25,000 into his "Northern Lights" political action committee. The company also paid his state Senator son, Ben (he of the raided office) over \$200,000 for various reported purposes, including lobbying his father. What's more, the son of VECO president Pete Lethard was reported to work for Stevens in Washington, D.C. Also, the company briefly owned the *Anchorage Times* in 1992 it shut the paper down, and switched to funding a half-page of editorials in the *Anchorage Daily News*. The section, called "Voice of the Times," is reportedly devoted to "conservative," "pro-industry" views. [Permalink](#) | TOPICS: Ted Stevens: Veco



Sen. Ted Stevens (R-AK)

FBI Raids Office of AK Senator's Son

By Paul Kiel - August 31, 2006, 11:08 PM

Yesterday, the FBI raided the office of Ben Stevens, who's president of the Alaska State Senate -- and son of Sen. Ted "King of Pork" Stevens (R-AK). Investigators searched his office (and those of five other legislators) for evidence of any ties ("financial information and gifts") between the lawmakers and VECO Corp., "an Anchorage-based oil field services and construction company whose executives

are major contributors to political campaigns," according to the AP. VECO, a reader notes, is one of father Ted Stevens' biggest campaign contributors. Its employees donated \$45,750 during his career. This is the second time in a week Ted Stevens' name has made headlines at TPMmuckraker -- earlier, readers will recall, he was unmasked on this site as being the GOP "masked holder" who held up the Obama/Coburn porkbusting transparency bill. *Update:* Is this part of what the Feds want to know about? From an April 28 article in the *Anchorage Daily News*: "Veco, an Alaska oil field services and construction company whose executives are major contributors to Republican political campaigns, paid [Ben] Stevens \$57,000 last year for unspecified 'business services,' according to Stevens' most recent disclosure." And more, from a Nov. 3, 2005 AP article: "Ben Stevens' business relationship with the oil field service company Veco, which has paid him \$243,000 since 2000, was cited as an example of 'corruption' in the recall petition brought against Stevens by Republican Moderate Party founder Ray Metcalfe." [Permalink](#) | TOPICS: Ted Stevens: Veco

Are Even Porkbusting Projects Full of Pork?

FBI - Stevens-881

By Paul Kiel - August 31, 2006, 3:03 PM The Congressional Budget Office calculates (pdf) that it would take \$15 million dollars to create and maintain the database of online searchable database of government grants and contracts for five years. But Ellen Miller of The Sunlight Foundation says today they've commissioned the Washington, D.C.-based nonprofit OMB Watch to do the exact same thing. The cost? \$234,713 for three years. So is Sen. Ted Stevens (R-AK) vindicated for having alleged cost concerns? And, more importantly, does OMB Watch have an Alaskan bridge-building division? [Permalink](#) | TOPICS: Reform: Ted Stevens

Who's Scoopin' Who?

By Paul Kiel - August 30, 2006, 5:36 PM About an hour ago, CNN posted a story on Sen. Stevens' exposure as the secret pork-meister and highlighted the way a

host of different blogs (yes, including TPMmuckraker.com) helped smoke him out. But TPMm ReaderAC still isn't satisfied, and emailed us the following:

[CNN: Sen. Stevens is 'the secret senator']

POSTED: 4:38 p.m. EDT, August 30, 2006 "CNN has confirmed that Alaska Sen. Ted Stevens, R-Alaska, has placed a hold on a bill that would require the government to publish online a database of federal spending." [TPMm: "MASKED" BILL-BLOCKER REVEALS SELF] By Paul Kiel - August 30, 2006, 1:59 PM

"A spokesman for Sen. Ted Stevens (R-AK) just confirmed his boss was the man behind the secret hold on the Coburn/Obama spending database bill, which has captivated a segment of the political blogging community in recent days." CNN... Catch-up News Network

Hey, he said it. We didn't. [Permalink](#) | TOPICS: Ted Stevens



Bill's Cost Troubled Me, Pork King Says

By Paul Kiel - August 30, 2006, 3:56 PM Sen. Ted Stevens (R-AK) held up a bill that would create a free, searchable database of government contracts and grants because he was worried about the proposal's price tag, his spokesman told me this afternoon. Its cost has been estimated at \$15 million. Stevens' office has asked Sen. Tom Coburn (R-OK), the sponsor of the bill, for "a cost-benefit analysis

to make sure this does not create an extra layer of unnecessary bureaucracy," spokesman Aaron Saunders said. The Senator "wanted to make sure that this wasn't going to be a huge cost to the taxpayer and that it achieves the goal which the bill is meant to achieve." Saunders added that Stevens' hold was not "secret," and that he would back the bill if the analysis shows that "it achieves its goal and it achieves its goal well." But Sen. Coburn's spokesman John Hart questioned Stevens' motive. "The only reason to oppose this bill is if he has something to hide," Hart said. Hart said that Stevens, who's on the Senate Homeland Security and Governmental Affairs Committee, failed to attend any hearings on the bill, an assertion backed up by vote tallies. "If he had concerns, he should have addressed them in regular order rather than blocking something that will benefit millions of taxpayers," Hart said. He added that after Stevens' office raised the concerns, Coburn's office requested a meeting, but never got one. The Congressional Budget Office has calculated that Coburn's proposal would cost "\$4 million in 2007 and about \$15 million [total] over the 2007-2011 period." By comparison, Stevens -- who's been called the "King of Pork" by one government watchdog -- was recently publicly lambasted for his appropriation of more than \$200 million for the so-called "Bridge to Nowhere," which would link Ketchikan, Alaska (population 8,900) with its airport on Gravina Island (population 50). Despite the fact that Stevens' office has refused until today to admit that he placed the hold, Saunders said, "This senator does not place secret holds." A number of senators' offices initially refused to comment in response to both public and media requests as to whether they'd placed the hold. Sens. Hatch and Crapo both waived that general practice in light of Majority Leader Bill Frist's request that senators respond to bloggers' and readers' questions. TPMm still awaits confirmation from two senators, Byrd and Bennett, that they do not have a hold on the bill. Sen. Coburn initially revealed Stevens' identity as the holder two weeks ago at a town meeting in Sallisaw, Oklahoma -- but that revelation seems to have been unintended. It was an "off the cuff" comment, his spokesman told me. *Update:* As to why constituents, TPMm, and others weren't told when they called Stevens' office that he had placed the hold, his spokesman just explained, "Sen. Stevens was traveling, the staffers that worked this issue had also been traveling -- so it was hard for our people to get the information about this particular hold." [Permalink](#) | TOPICS: Reform: Ted Stevens

FBI - Stevens-882



"MASKED"



BILL-BLOCKER REVEALS SELF

By Paul Kiel - August 30, 2006, 1:59 PM A spokesman for Sen. Ted Stevens (R-AK) just confirmed his boss was the man behind the secret hold on the Coburn/Obama spending database bill, which has captivated a segment of the political blogging community

in recent days. "Sen. Stevens does have a hold on the bill," said the spokesman, who would only speak on the condition he not be named. He added that Sen. Tom Coburn's (R-OK) office was notified of the hold after it was placed. So Coburn's comments two weeks ago may have been duly informed. So why does Stevens say he placed the hold? Why did it take this long for him to say so? And will he lift it? We'll have more soon...[Permalink](#) | **TOPICS:** Reform: Ted Stevens



Coburn: Stevens Blocked My Bill

By Justin Rood - August 29, 2006, 11:27 PM Twelve days ago, at a town meeting in Sallisaw, Oklahoma, Sen. Tom Coburn (R-OK) accused Sen. Ted Stevens (R-AK) of obstructing his porkbuster-database bill with an anonymous hold. That's according to an Aug. 18 article in the Fort Smith (Ark.) *Times Record*:

One of the senators most criticized for his personal projects, Sen. Ted Stevens, R-Alaska, has a hold of his own on Coburn's bill to make public the spending patterns of the government. Called the Federal Funding Accountability and Transparency Act, the legislation calls for the creation of a database open to the public where citizens can track government spending. "He's the only senator blocking it," Coburn said of Stevens.

Coburn's office was not available for comment this evening. The article has gone largely unnoticed in recent days, as hundreds of bloggers and blog-readers (at TPMm and elsewhere) have called Senate offices in an effort to determine who placed the "secret" hold on Coburn's bill. The piece does not turn up in a Nexis search, although it is in Google. Stevens has been the odds-on favorite since the hunt for the Holder Who Dare Not Speak His Name began. But did he really do it? Well, he had a motive: As the paper and others have noted, Stevens and Coburn have clashed before -- in particular over Stevens' now-legendary "bridge to nowhere." Coburn attempted (and failed) to block the \$233 million boondoggle. And revenge certainly fits the senior Alaskan's m.o. "Stevens can play rough," the *Seattle Times* noted in June. "Despite denials from his staff, he retaliates - and doesn't mind waiting years to do so." Stevens' office has so far refused to comment on the hold. Ninety-five other senators have confirmed they were not responsible. Thanks to TPMm Readers *MPGC* for the tips.

[Permalink](#) | **TOPICS:** Ted Stevens

[return to the homepage](#)

FBI - Stevens-883

[Home](#) | [Terms of Use](#) | [Privacy Policy](#)
Copyright © 2007 TPM Media LLC. All Rights Reserved

FBI - Stevens-884

adn.com

Anchorage Daily News

Print Page

Close Window

This conflict-of-interest thing must confuse Ted and Lisa

BETH BRAGG

COMMENT Beth Bragg

comment

(Published: August 3, 2007)

As yet another fine mess embroils an Alaska lawmaker, you have to wonder:

Why is it so hard for these people to recognize a conflict of interest?

Had either Ted Stevens or Lisa Murkowski asked themselves the most basic of questions before saying yes to offers way too good to be defensible, they'd find it much easier to stay out of the cross hairs of the FBI, the IRS, political watchdog groups, bloggers, comedians and plain ol' ordinary Alaskans.

The questions they should have asked are A-B-C, 1-2-3 simple:

Would ordinary Alaskans be offered similar deals or favors?

Would Bob Penney sell his 1.27-acre Kenai River lot for \$179,400 on Craigslist?

Would Bill Allen run a classified ad seeking home-remodeling projects to oversee?

The answer to each is no. Which is why the answer from the senators should have been no way.

It's that simple.

It doesn't matter that Penney has known Murkowski since she was 5 years old or that Allen has been friends with Stevens since the Paleozoic era.

What matters is that Murkowski and Stevens are United States senators, and everything they do must be free of even the appearance of a conflict of interest.

Note the use of the word "appearance." For some reason, lawmakers (and even some ordinary Alaskans) seem to think there needs to be an overt, egregious ethical lapse for something to qualify as a conflict of interest.

Wrong. It's about what looks fishy or oily, not just about what actually is fishy or oily. You don't need an indictment or a conviction for certain behaviors to erode trust.

Whether Murkowski makes decisions that will benefit sport fishing (Penney's domain) or Stevens makes decisions that will benefit the oil industry (Allen's) doesn't really matter.

What matters is, by accepting deals or services unavailable to the rest of us from well-connected heavyweights whose prosperity might be affected by lawmakers' decisions, Murkowski and Stevens

FBI - Stevens-885

give ordinary Alaskans legitimate reason to wonder if the senators can do their job without being compromised.

There's no question both got something the average person won't get. If in doubt, review the previous questions.

Murkowski realized the appearance of a conflict was significant enough to give up the land she and her husband bought from Penney. Her cry-me-a-Kenai-River-lament that criticism of the deal cost her family the Alaska home they deserve is shameful. She never should have taken the deal in the first place. She deserved every bit of scrutiny she received. She and her husband should have shopped for land the same way other Alaskans do, or at least those Alaskans who don't have cozy relationships with the rich and powerful.

When you're an elected or appointed official, ethics trump friendships. You must avoid the appearance of conflict in matters both professional and personal. Simple as that.

Problem is, Alaskans have long enabled the pervasive mentality among lawmakers that it's OK to cash in on their office and influence, that it's OK to take consulting jobs they wouldn't get if they were merely cabinet makers, that it's OK to let oil-industry bigwigs like Allen dictate lobbying laws.

Juneau insiders say they've long been aware of the culture of corruption at the state level, but it took federal investigators to kick over the stone and expose the Tom Andersons of that world. And most Alaskans sat by quietly as majority lawmakers delayed fixing state ethics laws that had allowed a former attorney general to take a lead role in a project that could have steered business to a company he owned more than \$100,000 worth of stock in.

The other day I heard a woman talking about the scene in "The Simpsons Movie" where Homer learns Alaskans receive annual checks for "letting the oil companies ravage" the state's natural beauty. "I always wondered why we got them," she said, not considering for a minute the line was a commentary on the state's love affair with the industry that helped spawn Allen and his dirty deeds.

Lawmakers may be too stupid or too arrogant to recognize obvious conflicts, but ordinary Alaskans deserve part of the blame for letting them get away with it for so long. Even now, people defend Murkowski by saying her long friendship with Penney exempts their deal from criticism and defend Stevens by saying his four-bedroom, three-bath Girdwood home assessed at \$440,900 is modest and therefore immune from scrutiny.

Until everyone accepts that the only rewards lawmakers deserve is their salary, their considerable power and influence, and perhaps their re-election, we're stuck in this fine mess together.

Beth Bragg's opinion column appears Wednesday, Friday and Sunday. Her e-mail address is bbragg@adn.com.

Print Page

Close Window

**Cowdery's boat burns and sinks -
RESCUED: Fishermen pick up the legislator and his passengers.**

Anchorage Daily News (AK)

August 3, 2007

Author: KYLE HOPKINS

khopkins@adn.com

Staff

Estimated printed pages: 2

Sen. John Cowdery's boat caught fire and sank Wednesday night near Whittier, according to two fishermen who took him to safety.

Tory Freeman said he and a friend were finishing a day of fishing when they heard a report over the radio of a boat in trouble. They saw Cowdery's 40-plus-foot boat nearby, carrying the Anchorage Republican and three adult passengers, billowing smoke.

"The cabin was totally filled with like this really thick, white smoke; it was like an electrical fire," Freeman said.

"John Cowdery ... stuck his head out of the cabin, and we yanked him out of there."

The fire began on a boat called the Johnita about 6:40 p.m. on the southwest side of Esther Island, said Chief Petty Officer Barry Lane of the U.S. Coast Guard.

It wasn't the first time one of Cowdery's boats has sunk.

On his personal Web site, Cowdery writes that he bought a 50-foot-plus pleasure boat around 2000 and named it Johnita II. One of Cowdery's staff members got married on that vessel, he wrote.

Whittier harbormaster Mike Davidson said the Johnita II sank in the winter of 2000 or 2001 at the Whittier dock, but was recovered and repaired.

Cowdery could not be reached for comment Thursday. A woman who answered the phone at his home hung up when a reporter identified himself.

Freeman and a longtime friend, Jeff Ohman, spent Wednesday bottomfishing near Whittier. Ohman said they were headed home when they passed Cowdery's boat and saw smoke, but thought it was just heavy exhaust.

Then no more than two or three minutes later a mayday call came over the radio, and they turned Ohman's new 22-foot Hewescraft -- the Live and Learn -- to help.

"The boat was engulfed in smoke like you see in a house fire," Ohman said.

Cowdery told the fishermen that he'd just filled the boat with fuel, Freeman said. After the senator and his passengers boarded the good Samaritan boat, they left for Whittier and watched as the Johnita erupted in flames, Freeman said.

Another boat in the area soon reported that the boat had sunk. The fishermen said no one appeared to be hurt.

The Coast Guard is investigating the incident.

FBI - Stevens-887

**Palin to discuss special session -
OIL TAX FORMULA: Legislature would address possible malfeasance.**

Anchorage Daily News (AK)

August 3, 2007

Author: STEVE QUINN

The Associated Press

WIRE

Estimated printed pages: 2

Gov. Sarah Palin will outline her plans for a special session on the state's petroleum profits tax during a news conference here this morning.

Palin will be joined by Revenue Commissioner Pat Galvin, who is expected to have a report prepared on the tax system passed last year, said deputy press secretary Sharon Leighow.

The tax formula, based on profits rather than gross sales, has been under scrutiny after three former lawmakers came under federal indictment in May.

Vic Kohring, Bruce Weyhrauch and Pete Kott, all Republicans, are charged with taking bribes or extorting favors in exchange for votes on the state's oil tax last year.

All three were arrested May 4 and have pleaded not guilty. They are awaiting trial this fall.

The day after they were charged, Palin pledged to take a look at the potential role any malfeasance may have had on the current tax.

"There are a lot of things we will be walking through, investigating and studying," Palin told The Associated Press that day. "We will see what kind of influence was effective in terms of the administration proposing what they proposed and lawmakers adopting what they adopted."

One day after the state's Legislature adjourned in mid-May, she announced plans to have this session, possibly outside of the state's capital, in the fall.

Today, she will answer long-awaited questions of where and when.

Recently she said she would like to have the session where there is a road system providing access to a majority of the lawmakers and citizens, which Juneau does not have.

But Palin had also said she was alarmed at the cost for the one-day session lawmakers held in Anchorage two months ago. It surpassed \$100,000.

Still, Leighow said the governor's wishes to take advantage of the road system has not changed, making Anchorage and Fairbanks likely candidates.

"Gov. Palin has always favored having this special session somewhere on the road system so Alaskans could have access to the lawmakers," Leighow said. "She's never wavered."

Just because the announcement is to be made in Juneau does not mean Palin will call for it to be in the capital, Leighow said.

Palin has spent most of the interim in Anchorage or traveling out of state, including a trip to Kuwait to visit Alaska-based soldiers serving in the Middle East.

Her office and mansion have been undergoing repairs, asbestos abatement and restoration during the interim, so working outside the capital was logical, Leighow said.

FBI - Stevens-888

House Speaker John Harris, R-Valdez, said he has not heard any specifics about the session's mission or location.

"What I want to do is encourage the governor to do what's most beneficial to getting in a good process for whatever they are proposing," Harris said.

FBI - Stevens-889

Despite reservations, Alaskans vote for reform*Anchorage Daily News (AK)**August 3, 2007**Author: McClatchy Newspapers**Staff****Estimated printed pages: 2***

Alaska's entire congressional delegation voted for the ethics bill.

There had been some question earlier this week whether Sen. Ted Stevens would vote for the measure because he had objections to the stricter provisions for chartered plane travel. Both he and Sen. Lisa Murkowski said they thought the new rules would make it more expensive to charter planes to travel within the state.

But for Stevens, it was no time to cast a vote against ethics reforms -- just days after the FBI raided his house as part of a corruption probe. The raid proved awkward timing for GOP leaders, who were working to show that they are as tough on ethics as their Democratic counterparts who pushed the bill through the House and Senate.

Murkowski said she had spent a lot of time thinking about how to vote on the bill, in part because she thought that earmarks should be even more transparent than the standards in the legislation.

Like Stevens, she had concerns about the charter plane provisions. And like Stevens, she has had problems. A watchdog group filed an ethics complaint against her after news reports surfaced about a sweetheart land deal she had with a developer and family friend. Murkowski, stung by the criticism over the deal, sold the land back for its asking price.

It's also clear that people across the country want to hold Congress to high standards, Murkowski said, and now is the ideal time to pass such guidelines and show the public that they are serious about change.

"People want to know that we really have made a change in that direction," she said.

Rep. Don Young, R-Alaska, voted for the measure in the House earlier in the week.

FBI - Stevens-890

State to hire consultants to review oil tax

TASK: Experts will look at other plans, consider alternatives to the PPT.

The Associated Press

Published: August 4, 2007

Last Modified: August 4, 2007 at 05:18 AM

FAIRBANKS -- The state Tax Division hopes to hire five consultants to review Alaska's new oil tax.

Story tools

Comment on this story

E-mail a friend

Print

Digg this

Seed Newsvine

Send link via AIM

Font size : A | A | A

"The state's going to need to draw on a number of areas of expertise, and each of the contractors has certain strengths in different areas," said Jonathan Iversen, Tax Division director.

Barring protests, the state will award contracts to Gaffney Cline & Associates, Arthur D. Little, Research Associates, PFC Energy, and Martindale Consultants Inc.

All five have done work internationally. The state Department of Revenue has contracted in the past with all the companies except Research Associates, according to deputy revenue commissioner Marcia Davis.

Research Associates is operated by Richard Fineberg of Ester and is the only Alaska-based company. Fineberg served as senior oil and gas adviser to the governor in the late 1980s.

The division requested proposals in July for a consultant to help figure out how Alaska's new petroleum profits tax, or PPT, compared to other taxes around the world, and to help consider alternatives if needed.

The proposal request described a six-month contract running through January 2008. Consultants would be expected to testify on new tax proposals. The contract budget was capped at \$400,000.

The Tax Division picked consultants based on their understanding of the project, work plan, experience and cost. A preference was given to Alaska applicants.

Iversen said the division plans to split tasks among the companies and to have some "cross-checking," with multiple companies researching the same topic.

Companies will be paid for tasks they are assigned.

"It's an expensive undertaking, but we will be using these experts frugally," he said.

The Department of Revenue already is reviewing the PPT. According to Iversen, the consultants will add to the expertise available at the departments of Revenue and Natural Resources.

FBI - Stevens-891

Palin sets special session date -**OCT. 18: She wants review of oil profits tax; location still undecided.***Anchorage Daily News (AK)**August 4, 2007**Author: STEVE QUINN**The Associated Press**WIRE***Estimated printed pages: 4**

Alaska's oil tax system is not only failing the state, but it's tainted with corruption, Gov. Sarah Palin declared Friday.

So she will call lawmakers back to work Oct. 18 to review the state's petroleum profits tax, also known as PPT.

Palin, however, has not selected a site for this special session, which could take up to 30 days. A one-day special session in June was held in Anchorage.

This means lawmakers will be in session soon after the Oct. 1 deadline for interested companies to submit applications for building a multibillion-dollar pipeline to ship trillions of cubic feet of natural gas to market.

The tax formula, based on profits, not gross sales, is coming up short of projections, according to a report prepared by Revenue Commissioner Pat Galvin.

PPT came under additional scrutiny in May after three former lawmakers were indicted on bribery and extortion charges in connection with the tax law.

"PPT just is not working as had been promised," Palin said. "We are in great need of creating an environment here in Alaska of investment.

"Revisiting PPT can tackle that issue and also allows legislators to basically start anew, to remove the taint of corruption and restore public trust."

Palin's comments fall right in line with concerns by Democrats that date back to last year when PPT was being debated in regular and special sessions.

Many Democrats say the state is losing millions under this formula, but Palin did not call for any specific changes just yet. Still, she plans to give legislators specific direction for reviewing PPT by Sept. 4.

Galvin's report states that PPT forecasts will fall short of projections of a year ago and that PPT is not doing enough to stimulate investment.

On one hand, Galvin's forecasts for fiscal year 2008, which began July 1, show PPT would generate \$250 million more than the previous system, considered outdated for the North Slope production. It still comes up \$800 million short of what was predicted last year by former Gov. Frank Murkowski's administration.

Last year, the state also underestimated operating costs that oil companies would be deducting, Galvin said.

Some lawmakers, however, want to make sure the administration isn't rushing toward judgment just one year after the new system was put in place.

"I don't know if there has been enough time under the present system," said House Speaker

FBI - Stevens-892

194A-AN-13620-m;421

John Harris, R-Valdez. "But if the administration makes a good case that the system is broken, and it needs to be changed, then we ought to look at it."

Harris also told Palin in an unsolicited May 7 letter that he would support revisiting the PPT should she deem it necessary.

His letter followed the arrests of former lawmakers Vic Kohring of Wasilla, and Bruce Weyhrauch and Pete Kott of Juneau on bribery and extortion charges.

All are Republicans and charged with taking bribes or extorting favors in exchange for votes on the oil tax last year.

All three were arrested May 4 and have pleaded not guilty. They are awaiting trial this fall.

The day after former lawmakers were charged, Palin pledged to take a look at the potential role any malfeasance may have had on the current tax.

Once the Legislature adjourned a few weeks later, Palin announced her intent to have a special session on PPT, possibly outside the capital.

Palin said she first wants feedback from lawmakers on where they believe the session should be held. She will ask Senate President Lyda Green and Harris to submit a recommendation by Sept. 4.

"The governor is right in that it's incredibly important content, but we need to have the special session in Juneau," said Minority Leader Beth Kerttula.

"We have the infrastructure in place," she said. "You don't want to make decisions like that when you're worrying about where you're going to have an office or where you're going to sleep."

Palin has made several trips back to Juneau since the end of the session, including trips for bill signings. She has signed 62 bills since May 16.

She has attended a national conference in Michigan and traveled overseas to visit Alaska-based troops in Kuwait.

For lawmaking, Palin said she understands that sessions held outside of Juneau are an emotional issue for those who cherish the city's role as the capital.

She said she is simply trying to make the Legislature more accessible to the public year-round and not renew a push to move the capital.

That's why she wants the legislators' consideration for a site that has road access, which Juneau lacks, she said.

"The desire by a lot of Alaskans to be able to participate and access their lawmakers via special sessions isn't a step toward moving the capital out of the city of Juneau," she said.

"I keep repeating that, but I guess our actions will have to speak louder than words. That's our message."

INSIDE

EXTRA HELP: The state hopes to hire consultants to review the petroleum profits tax.

Page B-6

Caption:

FBI - Stevens-893

**Reports of corruption shake Alaska delegation's credibility -
CRITICISM: Stevens, Young shrug off questions and continue to work.**

Anchorage Daily News (AK)

August 5, 2007

Author: ERIKA BOLSTAD

ebolstad@adn.com

Staff

Estimated printed pages: 6

It was just two days after Monday's FBI raid on U.S. Sen. Ted Stevens' house, and his colleague, U.S. Rep. Don Young, was at a press conference to attack a Democratic energy bill. It was the first time reporters were able to ask Young any questions since the news emerged that he, too, was under federal investigation.

Young swatted away the inquiries. He didn't really open up until he was asked about Alaska-related projects he inserted into a federal water bill -- including money for a study of the proposed bridge across Knik Arm, a project known to the rest of America as one of the "bridges to nowhere." He grinned, happy to answer questions about the millions of dollars he has squirreled away for his home state.

"Oh yeah, I did real well," Young said, before hopping an elevator and avoiding additional questions. "I'm happy."

These days, though, such boasts make many in both Alaska and Washington cringe, especially as it becomes more apparent that two-thirds of the state's congressional delegation is being investigated for improprieties connected with how they allocated federal money. Many people also have started to question how a delegation weakened by criminal investigations and ethical concerns can continue to effectively represent a place that, since statehood, has depended on federal money and attention to thrive.

NEWS REPORTS DON'T HELP STATE

Even as she refused to speculate about the investigations involving her two colleagues, Alaska's other U.S. senator, Lisa Murkowski, said she realized that the news about the Alaskan delegation -- as well as recent questions about the ethics of the Kenai River real estate deal she was involved with -- hadn't been good for the state.

"There has been a very intense media scrutiny on Alaska," Murkowski said. "And it's one thing if you read about it in our own newspapers or hear about it on the 6 o'clock news. It's another thing when you see the media reports coming out of New York and the Washington Post. We all want coverage to be good about our state. And I acknowledge that it is not particularly good news for Alaska."

There was another development in Washington last week that had an effect on the delegation. The House and the Senate passed an ethics bill calling for more detailed and transparent disclosures about earmarks, the special spending allocations that have made the Alaska delegation so infamous. It's a change that has made it just a little bit unsavory for Stevens and Young to continue to brag, as Young once did in 2003 of an appropriations bill, that he "stuffed it like a turkey."

The Alaska that once appreciated such talk has changed in the past 40 years, said Willie Hensley, a former state lawmaker and a founder of the NANA Regional Corp. who now lives in Washington and handles government relations for the Alyeska pipeline.

As the state matures, its leaders have to be cautious about how they look to the rest of the nation, Hensley said. That means they can no longer afford to appear as though they're

FBI - Stevens-894

194A-AN-13620-m; 422

cravenly grabbing for federal money -- and its leaders can't be tarnished by ethical problems. There is simply less tolerance for such behavior, even though Alaska might still need the federal help, he said.

"Alaska is somewhat fragile," he said. "Oil is about the only thing that pays its way, really. I don't think we have a lot of room for error in our political judgments, and we have to have the best people we can in there, using their judgment and influence."

NO RESPONSE, THANKS

Like Young, Stevens also has refused to talk about the investigation, or directly address the question on a lot of people's minds: Has the investigation become such a distraction that it hampers his ability to work on behalf of the state?

His spokesman, Aaron Saunders, said in a written statement that "Sen. Stevens remains committed to working with members of the Appropriations Committee to ensure Alaska receives the same rights bestowed upon other states -- the right to basic transportation, clean drinking water, essential education programs, quality public housing and other things that Americans in the Lower 48 take for granted."

And in fact, both Young and Stevens have been busy, even with the distraction of reporters camped outside their offices hoping they'll say something about the ongoing investigations.

Stevens and Murkowski co-sponsored a resolution to protect Arctic fisheries. Congress passed a Stevens-sponsored bill to direct more money to research in science, technology, engineering and math. He introduced legislation to enhance child pornography enforcement. And he and the rest of the state's delegation approved sweeping ethics reforms in Congress.

Young, who had prostate surgery and was out for a few days in July, jumped right back into the legislative fray by attacking a Democratic energy bill as "energy suicide" on the House floor Saturday -- as Congress went into an extended session. And as the former chairman of the House Transportation committee, he called on the president and Congress to consider a new gasoline tax that would pay for upgrades to the country's infrastructure, improvements that Young said would help prevent tragedies like the Minnesota bridge collapse.

As senior GOP lawmakers who held powerful committee posts, both Young and Stevens had already lost much of their influence when Democrats took control of Congress last fall. But their legacy of federal earmarking lives on in Alaska.

For years, Alaska has topped the list of states with the most per-capita federal government spending. There is no underestimating the role federal spending plays in the state's economy, said Scott Goldsmith, an economist with the Institute of Social and Economic Research at the University of Alaska Anchorage.

One third of Alaska's economy is based on oil, another third is based on federal government spending, and the final third is everything else, said Goldsmith.

FBI - Stevens-895

"The federal dollars that come into Alaska are clearly a very important part of the economy and influence the economy in myriad ways," he said. "Just because they're trying to tighten up in general on earmarks, those earmarks and grants in general are in jeopardy, and to the extent that gets squeezed, it has a negative effect on our economy."

But Goldsmith also points out something interesting about the federal money that keeps one-third of the state's economy afloat: It's mostly in the form of everyday spending that would come to Alaska regardless of who is in office. It includes salaries for federal employees such as postal workers, military spending, highway money and even Social Security payments to retirees.

"Much of the federal money that comes into the state is insulated or not really very sensitive to the kind of problems we're seeing right now with our delegation," Goldsmith said. "Those come independent of what your legislators are doing."

SENSE OF IMPENDING FALL

Politically, many smell blood.

For the first time in years, Rep. Don Young has a challenger with fundraising juice: Jake Metcalfe, a former Anchorage School Board president and former head of the state Democratic Party, who announced his candidacy last week. Democrat Diane Benson, who challenged Young in 2006, is also running. There may be more. There's also serious talk about both Republicans and Democrats considering a run against Stevens - people who wouldn't have dared take him on in past years.

The delegation's actions have consequences for the state, said Ethan Berkowitz, a Democrat and former state lawmaker who ran for lieutenant governor last year. Berkowitz is now considering a bid for Stevens' seat, and also has thought about running for Young's. He expects to make an announcement in September.

"As long as the current delegation is there, Alaska's going to be cut up in the process," Berkowitz said. "In my judgment, they're hurting the state. The national perception of Alaska is something we need to change."

Metcalfe was in Washington last week and said it was "scary" to see the headlines about Alaska politicians under investigation. He said Young and Stevens have been in Washington too long.

"Their generation has passed and I think their effectiveness has really diminished in the past four years," he said. "Part of that has to do with the Democrats taking over, but part of it is the style of leadership. When you have the corruption and the offices stained by what's happened, people don't believe government works for them. They believe it works for the special interests and campaign contributors."

That generational shift may have already started within the state's Republican Party, with the election last year of a governor whose first order of business was to pass an ethics reform bill.

"It's a generational shift that's going on, but it's also a values shift that's going on," said Gov. Sarah Palin.

The "culture of corruption" that has become ingrained in Alaska politics is a poor example to the rest of the nation as the state tries to be taken seriously in negotiations over a natural gas pipeline, Palin said.

"We have to prove that we are responsible, that we are trustworthy, that we are truthful up here," she said. "Our actions have to speak louder than our words."

Find Erika Bolstad online at adn.com/contact/ebolstad.

FBI - Stevens-896

The Alaska political corruption investigations*Anchorage Daily News (AK)**August 5, 2007**Author: Compiled by David Hulén and Richard Mauer / Anchorage Daily News Staff**Estimated printed pages: 6*

A broad federal investigation of public corruption has been under way in Alaska for more than three years, although it didn't become widely known until Aug. 30, 2006. That's when teams of federal agents executed search warrants at the offices of six state legislators and elsewhere around the state. The government has since brought indictments and won a jury verdict and several guilty pleas. The investigation continues, with grand juries hearing secret testimony in Anchorage and Washington, D.C. Last week, federal agents searched the Girdwood home of U.S. Sen. Ted Stevens, drawing national attention.

Authorities have said very little about the overall shape of the inquiry, where it's headed or what's being investigated. Here's some of what's known:

WHO IS CONDUCTING THE INVESTIGATIONS?

It's being run by the FBI, the IRS and the U.S. Justice Department's Public Integrity Section from Washington, D.C., which focuses on government corruption cases. Two prosecutors from the Alaska U.S. Attorney's Office have been assigned to the effort.

CHARGED AND AWAITING TRIAL

Former Alaska House Speaker Pete Kott of Eagle River. Indicted in May on bribery, extortion and conspiracy charges, Kott is accused of taking payoffs and a promise of a job from Veco to help push an oil-production tax favored by the industry through the Legislature in 2006. Aside from cash, he's accused of being paid a "fraudulently inflated" fee by Veco for flooring work and a promise of a future job. He pleaded not guilty. Trial is scheduled for September.

Former Rep. Vic Kohring of Wasilla. The chairman of the Special Committee on Oil and Gas was indicted in May on bribery, extortion and conspiracy charges, accused of taking cash and a loan from Veco executives in exchange for supporting the company's position on the oil tax. A member of the Legislature when indicted in May, he later resigned under pressure from constituents and Republican House leaders. He pleaded not guilty. Trial is scheduled for October.

Former state Rep. Bruce Weyhrauch of Juneau. Charged with bribery, extortion and conspiracy, Weyhrauch is accused of switching his vote on the oil tax after receiving instructions from Kott and Bill Allen. He's also accused of soliciting work for his legal practice from Veco in exchange for his vote. He pleaded not guilty. Trial is scheduled for September.

PLEADED GUILTY**FBI - Stevens-897**

Longtime Veco CEO Bill Allen. He pleaded guilty in May to charges of bribery, extortion and conspiracy for his dealings with four legislators: former Reps. Pete Kott, Bruce Weyhrauch and Vic Kohring, and former Sen. Ben Stevens (described in the plea as "State Senator B"). The first three were charged; Stevens has not been. Allen also admitted paying a "bonus" in company funds to executives for illegal campaign contributions in 2005 and 2006. For more than two decades, he was a major political fundraiser for Alaska politicians. He resigned from Veco after his guilty plea and awaits sentencing.

Veco vice president Rick Smith, who ran the company's government affairs operations. He worked part of the year out of a suite in Juneau's Baranof Hotel that was being secretly

monitored by the FBI. In May he pleaded guilty to the same charges as Allen. He admitted, with Allen, to making more than \$400,000 in payoffs to elected officials and illegal campaign contributions. Resigned after plea, awaits sentencing.

Lobbyist Bill Bobrick. A longtime lobbyist at the city level and one-time head of the Alaska Democratic Party, he pleaded guilty in May to conspiracy for bribing Anderson while working for a private prison company, Cornell Cos. He testified against Anderson and is awaiting sentencing.

TRIED AND CONVICTED, AWAITING SENTENCING

Former Anchorage state Rep. Tom Anderson. In December, he became the first person charged. On July 9, a federal jury convicted him on all counts of bribery, conspiracy and other charges connected with taking payoffs from Bill Bobrick, a lobbyist for a private prison company. Anderson worked as a consultant for Veco, the oil field services and engineering company at the center of the broader investigation, although none of the charges against him concerned Veco. It was revealed during his trial that federal agents were investigating corruption in the Alaska Legislature as far back as early 2004. He's awaiting sentencing.

OTHERS CONNECTED WITH THE INVESTIGATIONS

U.S. Sen. Ted Stevens. He has represented Alaska since 1968 and is the most senior Senate Republican in history. Stevens has come under political attack recently from fiscal conservatives and others for his use of earmarks to direct programs and money to Alaska. Some of the earmarks benefited his son Ben and a former aide, Trevor McCabe, and their clients. Veco's Allen oversaw a construction project in 2000 that doubled the size of Stevens' Girdwood home, and investigators have been trying to learn if at least some of that work was an improper gift.

Former state Sen. Ben Stevens. In his plea agreement, Allen admitted making improper payments of \$243,250 to "State Senator B" -- an unmistakable reference to Ben Stevens, the former state Senate president. Ben Stevens' office was searched in the August 2006 raids and was later visited again by FBI agents seeking information about his fishery interests and benefits he may have received from legislation written by his father. He was paid hundreds of thousands of dollars as a consultant for various commercial fishing companies and groups, and chaired a federally funded panel, created in an earmark by his father, that awarded grants to some of those entities.

U.S. Rep. Don Young. Alaska's sole U.S. representative since 1973, Young has been widely reported to be under investigation over his own ties to Veco and use of earmarks, although details of what is being examined are unclear. Since 1989, he has received more than \$212,000 in campaign donations from Allen, Smith and other Veco executives, making the company by far his top contributor. One of Young's aides has pleaded guilty in the Jack Abramoff lobbying scandal, and Young himself has ties to the lobbyist. Young has come under political attack for adding earmarks to transportation legislation that would benefit a Wisconsin trucking company and a Florida real estate mogul, both of whom contributed to his campaigns. Young recently reported spending \$262,000 in campaign funds on unspecified legal fees during the first six months of 2007.

Trevor McCabe. Seward native and former legislative director to Ted Stevens, he became partner in a consulting business with Ben Stevens, and lobbied Congress on behalf of a Southeast salmon group that obtained federal funds from Ted Stevens. An attorney and lobbyist, McCabe has represented other seafood interests as well. With two partners, McCabe sold property to the Alaska SeaLife Center in Seward at a price substantially above its appraisal after Ted Stevens provided the money in an earmark.

Frank Prewitt. Former state corrections commissioner who became a consultant to Cornell Cos., a private prison company that wanted to build a large prison in Alaska (at one time

FBI - Stevens-898

teaming with Veco). Prewitt was being investigated by the FBI in 2004 when he agreed to work for the government to root out corrupt legislators and lobbyists. He passed out money and recorded conversations, providing the foundation for the Anderson case.

Sens. John Cowdery, R-Anchorage, and Donald Olson, D-Nome, also had their offices searched in August 2006, but have not been charged.

ENTITIES CONNECTED WITH THE INVESTIGATIONS

Veco Corp. An oil field services and engineering company that operates extensively in Alaska and elsewhere, Veco has been among the most politically active companies in the state for years. It has lobbied in Juneau for legislation beneficial to the oil industry and aggressively supported pro-development candidates in Alaska and Outside. Since 2000, the company received more than \$40 million in federal contracts, according to the database FedSpending.org. Allen and Smith are the only two Veco executives charged. While Bill Allen has stepped down, his family still owns a majority of the company. Denver-based CH2M Hill is in negotiations to buy it.

Alaska SeaLife Center. The Seward research center and visitor attraction was built, in part, with settlement money from the Exxon Valdez oil spill, and run with heavy federal financial support engineered by Ted Stevens. Investigators are examining a deal in which the SeaLife Center bought property from former Ted Stevens aide Trevor McCabe and partners at a price substantially above its appraisal after Stevens provided the money in an earmark.

Alaska Fisheries Marketing Board. Created by Sen. Ted Stevens in 2003 to boost the North Pacific fishing industry, the nonprofit has distributed some \$30 million in federal money to seafood companies and other entities to promote their products. Ben Stevens served as chairman of the board until last year, and while he was in that role the board awarded millions in grants to groups that paid him consulting fees. Last November, a grand jury in Anchorage issued subpoenas to several North Pacific seafood companies and groups demanding records on their dealings with the marketing board, Ben Stevens, McCabe (who also sat on the board) and others.

FBI - Stevens-899



Access World News

Paper: Anchorage Daily News (AK)

Title: Kohring asked to step aside -

SCANDAL: Corruption charges against Wasilla representative taint other lawmakers, some say.

Date: June 5, 2007

House leaders have asked Rep. Vic Kohring to consider resigning because of his indictment in a bribery scandal, as pressure in the Wasilla lawmaker's district mounts to remove him from office by special election.

House Speaker John Harris, R-Valdez, and House Majority Leader Ralph Samuels, R-Anchorage, said they relayed to Kohring last week the concerns of fellow lawmakers that the corruption scandal is tainting them all. They met with Kohring in his Mat-Su home.

A federal grand jury indicted Kohring last month as part of a wider corruption probe. Prosecutors have accused Kohring, a Republican, of selling his vote on the state petroleum tax last year to the Anchorage oil field services company Veco Corp. Kohring and two former legislators also under indictment have pleaded not guilty. Veco executives Bill Allen and Rick Smith pleaded guilty to conspiracy, bribery and tax charges. Allen and Smith have since resigned from Veco.

Kohring's trial is scheduled to begin Oct. 22 in Anchorage.

Samuels said he and Harris approached Kohring to share serious concerns expressed by several other lawmakers regarding the impact the corruption scandal was having on the public's trust in the Legislature.

"We didn't go out there to try and force him to resign; we just want to make sure he understands where his colleagues are at with the situation," Harris said, adding that Kohring was still innocent until proven guilty.

Harris said he was not considering expelling Kohring from the House at this time.

But in Wasilla, public pressure has led to a call for his resignation and even inspired "Recall Vic" T-shirt sales.

Wasilla City Councilman Mark Ewing last month began gathering signatures for an application requesting a special election to strip Kohring of his House seat. The application for the recall must have at least 709 signatures before the state Division of Elections will review it. Ewing said volunteers had already collected the required minimum but planned to double the amount in a "blitz weekend" before filing it next week.

"The focus is to get us some representation in Juneau that is stable and trusted," Ewing said. "A lot of his supporters who gave him \$500 every time he ran are signing this thing."

Getting the 709 signatures is only the first of several steps that must be completed before a recall election would be held.

If the Division of Elections approves the recall application, Ewing would then need to collect at least 1,770 signatures — equaling 25 percent of the voters from the district's last election. The elections division could order a special recall election after this second set of signatures is in hand.

Gov. Sarah Palin, who is from Wasilla, said last month Kohring should step down. As governor, Palin would appoint another Republican to replace him if he resigned or is recalled.

Kohring said Monday that he would respond only to questions for this article that were e-mailed to him. He then did not respond to the e-mail.

FBI - Stevens-900

Kohring was aware of fellow lawmakers' concerns, Samuels said. Kohring responded openly to the discussion, saying he continued to labor over what would be the best for him, the Legislature and his constituents, Samuels said.

"He's aware of the situation that he's put himself and everyone else in," Samuels said. "Even if he did nothing wrong, there is the negative perception in the public that affects the whole institution of the Legislature."

Harris indicated Monday that he expected to have Kohring's decision within a few days on whether he will retain his House seat or step down.

If he resigns, it would remove him from participating in a special legislative session to revisit the oil tax that is tentatively scheduled for this fall.

Palin announced that she would call for the special session shortly after the Veco executives pleaded guilty on May 7 to bribing lawmakers for their votes on the petroleum tax

Palin at the time said the corruption probe surrounding the tax debate had tainted the law and called into question if it was the right tax law for the state.

Several lawmakers have questioned if it would be appropriate for Kohring to participate in the debate again, given the allegations against him.

"I have a strong feeling that it won't be an issue at that point," Harris said regarding Kohring's presence in the fall special session. "I think we'll see a decision here pretty soon. Whether or not that's going to be him saying he will step down is ultimately his decision."

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.

Caption:

Kohring

Caption:

Photo 1: VicKohring_060507.jpg

Copyright (c) 2007, Anchorage Daily News

Author: SABRA AYRES Anchorage Daily News Staff

Section: Main

Page: A1

Dateline: JUNEAU

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-901



Access World News

Paper: Anchorage Daily News (AK)

Title: Anderson trial starts with jury selection -

EX-LAWMAKER: Prosecutors plan to play tapes that record alleged influence-peddling.

Date: June 25, 2007

Tapes secretly recorded by a federal informant will finally become public when they are played for jurors being chosen today to hear the corruption case against former state Rep. Tom Anderson.

Jury selection is set for this morning as Anderson's trial begins on seven felony counts that include bribery, extortion and money laundering.

The trial is expected to take two weeks, half for each side.

It will be the first real test of the prosecution team handling corruption cases against four former or current Alaska legislators. The team is led by the U.S. Justice Department's Public Integrity Section out of Washington, D.C., and includes two assistant U.S. attorneys based in Anchorage. Anderson is the first to go to trial.

Prosecutors have laid out their case in a 29-page trial memorandum that provides new details.

Anderson's lawyer is Paul Stockler, who is fighting to keep the government from showing certain documents to the jury, such as Anderson's tax returns and credit card bills.

"He didn't agree to perform any legislative acts in exchange for money, and the government is not going to be able to prove that he did," said Stockler, who has listened to hundreds of hours of recordings.

Anderson, 39, was elected to serve East Anchorage in the House in 2002 and again in 2004. He didn't run last year. His wife is state Sen. Lesil McGuire, and their relationship is an issue in the government's case.

HELP FOR PRISON

The prosecution says Anderson was part of a scheme initiated by former lobbyist Bill Bobrick to funnel payments from a private prison company to Anderson.

Prosecutors assert that Anderson sold his legislative office for \$12,828 to help the private prison company.

While Bobrick is not named in the Anderson court documents, he has pleaded guilty to a single count of conspiracy to commit extortion, bribery and money laundering and agreed to testify against Anderson.

Bobrick for years had a long list of clients with city business but gave them up after his guilty plea.

In a written summary of the case, prosecutors say they will rely on recordings made by a "confidential source" in 2004 and into 2005. They haven't named the source, but Frank Prewitt, a former state corrections commissioner, confirmed it was him. After leaving his state post, Prewitt became a contract consultant for Cornell Companies, a private prison firm based Outside.

Prewitt said in a recent e-mail that he'll be testifying but couldn't talk further with the trial so near.

In summer 2004, Prewitt was working as a confidential source on "other, unrelated investigative matters," the prosecution says without providing further description.

On July 16, 2004, Bobrick left a message on Prewitt's machine to ask whether they could "try with Cornell to help out Tom Anderson."

In a meeting five days later, Prewitt asked "what could Tom do?" Bobrick answered "be our boy in Juneau." He said he planned to create a political newsletter, which he later said would be published on the Internet. Anderson would help set it up and write for it, Bobrick told Prewitt.

The real question, Prewitt said, was "what can Anderson do for Cornell?"

Cornell was not aware of the bribery scheme or Prewitt's role in the undercover investigation, the Justice Department has said.

'TWO LEGISLATORS'

FBI - Stevens-902

194A-AN-13620-m:425

Bobrick noted Anderson's romantic relationship with another legislator and said Cornell would "get two (legislators)—you know, Chair of Labor and Commerce (Anderson), and Chair of Judiciary (other elected official) ... that's the minimum we're going to have next year."

McGuire, then a state representative, chaired Judiciary. She and Anderson married in 2005.

Stockler, Anderson's defense attorney, said he's stunned that the prosecution brought up McGuire because he said she hasn't done anything wrong.

"I'm at a loss as to why they would put that into the pretrial memo," Stockler said. "You can imagine what effect that had in that household as I'm trying to get Tom ready for trial."

Once the trial begins, the prosecution is expected to play snippets of the tapes made by Prewitt. Stockler said the defense will push to get longer or different sections of the recorded conversations before jurors so they have a more complete picture of Anderson.

On Thursday, Stockler filed a motion to bar the prosecution from using Anderson's Visa statements, bank records, credit reports, and tax returns.

"Any minuscule relevance of this type of evidence is substantially outweighed by the danger of unfair prejudice and confusion of issues," Stockler wrote.

Prosecutors did not return calls last week but their trial memorandum describes the early days of the alleged scheme and lists a variety of "official acts" they claim Anderson performed for money.

PUSH FOR FEASIBILITY STUDY

In an Aug. 17, 2004, meeting with Anderson, Prewitt said he could pay \$24,000 to the legislator and Bobrick but would need Anderson to further Cornell's interests in the Legislature. In particular, Cornell needed help pushing the state Department of Corrections to do a feasibility study for a private prison.

Anderson said he could call the corrections commissioner in October and say "in November you have (this feasibility study) done," according to the trial memo.

All the money should go through Bobrick, Anderson said. The Alaska Public Offices Commission "only needs to know ('Lobbyist A') pays me and then we're always safe," Anderson is quoted in the trial memo as saying.

On Oct. 20, 2004, Prewitt asked Anderson for help changing the rules on halfway houses. Cornell wanted to minimize costs by shifting inmates and staffing. State rules at the time required minimal staffing levels, regardless of the number of offenders.

The next day, Anderson faxed a letter to then-Corrections Commissioner Marc Antrim on legislative letterhead. The letter drew from an e-mail draft provided by Prewitt. Anderson asked for a meeting with Antrim about "budget challenges for the private contractors."

A day after that, Prewitt made the second of three \$8,000 payments to Bobrick, who kept half or more of the money each time. Later, after Anderson complained about his share, Prewitt made a separate \$2,000 payment directly to him, prosecutors say.

All the money was provided by the FBI.

On Oct. 29, Anderson met with Antrim in his Anchorage legislative office and talked about halfway houses.

The next month, Anderson sat down with Prewitt and described his understanding of the relationship.

"Unless you want me to (quit the Legislature) and, you know, work for you. But no, you don't want that. You want votes in the Legislature, I would assume," Anderson is quoted as saying.

"Of course," Prewitt responded.

FBI - Stevens-903

One project Cornell sought help on was a planned residential psychiatric treatment center in Anchorage. The center to treat troubled youths required a state certificate of need.

Anderson testified at a public hearing in Anchorage on Nov. 17, 2004, at which state officials were considering competing applications to build a center.

Anderson told the crowd that he didn't have a connection with either group.

"But with Cornell, I have met with administrators and see how they function and work, and certainly could endorse them to that end," Anderson said, according to a transcript of the hearing.

Cornell never got its center.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Caption:

Anderson

Caption:

Photo 1: Anderson.1_062507.jpg

Copyright (c) 2007, Anchorage Daily News

Author: LISA DEMER ldemer@adn.com Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-904



Access World News

Paper: Anchorage Daily News (AK)

Title: Corruption trial uncovers FBI mole -

DON STOLWORTHY: Deputy prisons chief was "glad to help."

Date: July 1, 2007

A former deputy corrections commissioner whose name came up Friday in the Tom Anderson corruption trial was working as an informant for the FBI in 2004 when he asked a prison company consultant for money, an FBI spokesman said Saturday.

Former Cornell Cos. consultant Frank Prewitt testified Friday that he worked with deputy commissioner Don Stolworthy that year to develop a compromise on competing bills to build a new prison. One measure could have led to a Cornell-run prison in Whittier. The other, supported by the Murkowski administration, pushed a state-run prison in the Valley.

Prewitt, a state corrections commissioner in the 1990s, testified Stolworthy told him he was worried about losing his job because of union opposition to a private prison. Prewitt said he assured Stolworthy that "people would be there for him" if that happened. Prewitt told jurors that Stolworthy eventually began seeking money, as a sort of insurance policy, if he lost his job.

But he only did that because the FBI asked him to, FBI spokesman Eric Gonzalez said Saturday. Stolworthy was working for the FBI as a "cooperating witness," he said.

"We approached him out of the blue," Gonzalez said. "We asked for his help and he said he'd be glad to help us."

Stolworthy "was squeaky clean," Gonzalez said.

The fact that Stolworthy was working undercover for the FBI never came up during the trial on Friday.

Prewitt testified that he was shocked that Stolworthy was asking for money and read him the ethics act.

The FBI won't discuss what evidence it may have collected on Prewitt through Stolworthy. But in his opening statement on Wednesday, federal prosecutor Joe Bottini said that Prewitt may have tried to improperly influence a state corrections official.

The matter came up because Prewitt is the government's star witness in the corruption case against Anderson, a former state representative. Defense attorney Paul Stockler cross-examined Prewitt on Friday about possible illegal activities in his background and pressed him on whether he was just testifying against Anderson to save himself.

Efforts to reach Stolworthy on Saturday were unsuccessful. When the state issued a statement announcing his resignation in January 2005, it said he accepted a job for the U.S. Justice Department as warden of a prison in Iraq.

Anderson's trial resumes Monday as Stockler's cross-examination of Prewitt continues.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Caption:

AL GRILLO / The Associated Press

Former state Rep. Tom Anderson, left, and attorney Paul Stockler walk through the Federal court building in Anchorage last week.

Caption:

Graphic 1: Anderson_Trial_AKAG105_070107.eps

FBI - Stevens-905

Copyright (c) 2007, Anchorage Daily News

Author: LISA DEMER ldemer@adn.com Staff

Section: Alaska

Page: B1

Copyright (c) 2007, Anchorage Daily News

194A-AN-13620-m; 426



Access World News

Paper: Anchorage Daily News (AK)

Title: Bobrick tells of Web scam -

ANDERSON TRIAL: The legislator did nothing for community site but was paid anyway, jury hears.

Date: July 4, 2007

On the stand for a second day in federal court Tuesday, former lobbyist Bill **Bobrick** told jurors that his idea for a political Web site started as a real business venture in 2004 with then-state Rep. Tom Anderson.

It wasn't supposed to be a way "to bribe Tom Anderson or channel him funds. But it certainly ended up that way," **Bobrick** testified.

Ultimately, its only real purpose was to disguise payments to Anderson, he told jurors. Anderson never did any real work for the Web site and received the money "for being a legislator," **Bobrick** said. The Web site never got off the ground.

Prosecutors rested their corruption case against Anderson on Tuesday afternoon after calling eight witnesses over four days. The trial began June 25 with jury selection, which lasted 21 1/2 days.

Prosecutors contend that **Bobrick's** Web site business was used to funnel payments from a Cornell Cos. consultant to Anderson so that he would do the company's bidding on halfway houses, a juvenile treatment center and a private prison. Anderson faces seven felony counts.

Bobrick has pleaded guilty to conspiracy and said he is cooperating with the government in the hope of getting a lighter sentence.

In all, Anderson received a total of \$25,838, based on testimony about various checks.

That's much more money than was previously disclosed. The charges list \$12,838 in payments to Anderson. The FBI actually provided the money. Cornell was unaware of any scheme, the government has said.

Bobrick, a main witness for the prosecution, appeared drained but calm during hours of testimony and then aggressive cross-examination.

Defense attorney Paul Stockler on Tuesday pushed **Bobrick** on whether he turned on Anderson to save himself, the same approach he used the day before with the other star witness, Frank Prewitt, a former corrections commissioner who then became a Cornell consultant.

"I lost my career of 20 years. I lost my standing in this community," **Bobrick** said. And he may go to prison even yet.

"My life is pretty much wrecked because of my stupid, reckless actions," **Bobrick** said. He said he made \$200,000 a year as a lobbyist before the Anchorage Assembly, but no more.

Bobrick began cooperating with the FBI soon after agents called him in last September, he said. They were in front of his house and came in to play recordings of conversations. Prewitt had secretly made recordings as a "confidential source" for the FBI.

"I realized I had done something wrong and I needed to do the right thing," **Bobrick** said as prosecutor Joe Bottini questioned him. He said later that he had made "tremendous errors in judgment." When he thought the Web site would be a legitimate business with Anderson, he was "in denial," he said.

Bobrick acknowledged other troubles. He said he once asked his mother to make a campaign contribution, then felt bad about it, so he reimbursed her.

He also said he wore a wire, but prosecutors didn't introduce any of those recordings. His agreement with the government requires him to cooperate and "testify truthfully," he said.

Based on how he does, prosecutors may ask U.S. District Court Judge John Sedwick to give him less than the estimated sentence of 24 to 30 months for conspiracy. But the way his life is going, "I fully expect to be hit pretty hard," **Bobrick** said.

During the investigation, he said, the FBI would "check up on me to make sure I had not killed myself."

THE BOGUS WEB SITE

The idea with the Web site or electronic newsletter was to have stringers all over Alaska writing about their communities, **Bobrick** told

FBI - Stevens-906

jurors. Companies like Cornell or the developers of the Pebble mine might buy subscriptions or pay to advertise on it. State and federal issues would be aired too. Anderson could give the view from Juneau.

Wasn't it a real project, with Anderson being paid for real work? Stockler asked time and again.

"I wanted the Web site to be real," Bobrick said. "... I didn't wake up one day thinking, 'I'm going to bribe Tom Anderson.' "

But Anderson never produced any work, Bobrick said: no stories, no advertising contracts, no invoices, nothing.

Anderson had to have known he was being paid for his influence as a legislator, not for the Web site, Bobrick testified. "At the end of the day, that's all he had," said Bobrick, who told jurors he had urged Anderson to pass the bar exam so he could practice law and do real work.

Bobrick said he did pay two people to get the project going. A legislative aide to Anderson was paid to research villages, towns and boroughs as a first step to finding stringers.

And Ken Erickson, now the Web master for the House Republican majority, received \$1,000 as a partial payment to design and build the Web site.

Erickson testified Tuesday that his main contact on the project was Bobrick. But he admitted under questioning by Bottini that Anderson requested a detailed invoice after the fact. In September 2005, he said, he submitted one backdated to Dec. 27, 2004.

He said he designed the site so that people without technical skills could easily submit their stories. But the only story that ever ended up on the site was one written by state Sen. John Cowdery, R-Anchorage, that Erickson said he put on the site just to show it worked. He checked back two or three times a year, but no one had contributed.

"I figured the project was dead or moribund," Erickson said.

Out of 100 or so Web sites that he's designed for people over the years, this is the first one that fizzled after money was invested, though maybe half die during the talking stage, Erickson said.

PUSHING CORNELL'S INTERESTS

Also on Tuesday, prosecutors asked witnesses about Cornell's push to open a residential psychiatric treatment center in Anchorage for emotionally troubled kids.

Bobrick, who was a lobbyist for Cornell on the project, told jurors that he asked Anderson to testify at a Nov. 17, 2004, public hearing about the project.

Anderson signed in on behalf of himself and never acknowledged his financial relationship with Cornell, David Pierce, with the state Department of Health and Social Services, told jurors.

Twice in his testimony that day in 2004, Anderson said he had no connection to the competing groups seeking to open a treatment center. But he said he could endorse Cornell because he had met the administrators and knew how they worked.

The trial resumes Thursday. The defense gets its chance to call witnesses.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Anderson trial at a glance

THE DEFENDANT: Tom Anderson, 39, represented East Anchorage in the state House from 2003 until this year. He did not run in 2006.

THE CHARGES: Three counts of money laundering, two of extortion and one each of bribery and conspiracy.

THE CONSPIRACY: Federal prosecutors say Anderson participated in a scheme in which he agreed to do the bidding of the private prison firm Cornell Cos. in exchange for money.

THE CO-CONSPIRATOR: Lobbyist Bill Bobrick pleaded guilty in May to a single count of conspiracy. He set up a company reportedly to produce a political Web site for which Anderson would write. Prosecutors say it became a sham used to funnel payments to Anderson.

THE TRIAL SO FAR: The trial began June 25 with jury selection. The prosecution rested its case Tuesday after calling eight witnesses over four days. Main government witnesses: Bobrick and Frank Prewitt, Alaska corrections commissioner in the 1990s and then a Cornell consultant. Working undercover for the FBI, Prewitt made about a dozen audio and video recordings involving Bobrick, Anderson or both. He testified that Anderson knew he was being paid to do what Cornell wanted.

FBI - Stevens-907

THE DEFENSE: Defense lawyer Paul Stockler spent hours cross-examining **Bobrick** and Prewitt. His defense appears to be that the FBI entrapped Anderson, the government witnesses are just trying to save themselves, and the actions Anderson took for Cornell were the kinds of things that legislators do. He portrays Anderson as an eager-to-please legislator who wasn't the one who kept talking about money.

COMING UP: The trial resumes Thursday, with the defense case. Stockler indicated Anderson hasn't decided whether to testify.

Caption:

Bobrick

Caption:

Photo 1: BillMugDSC_0014_070407.jpg

Copyright (c) 2007, Anchorage Daily News

Author: LISA DEMER ldemer@adn.com Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-908



Access World News

Paper: Anchorage Daily News (AK)

Title: Anderson lawyer lays foundation for entrapment defense -

FBI TARGET: Stockler says the ex-lawmaker sought consulting work, not bribes.

Date: July 3, 2007

As the trial of former state Rep. Tom Anderson wrapped up its sixth day Monday, the defense strategy began to reveal itself.

The defense is trying to plant the idea with jurors that Anderson was lured into a trap and that Anderson didn't do anything special for the private prison firm Cornell Cos.

Federal prosecutors allege Anderson was paid \$12,838 to use his legislative office for Cornell's bidding.

The government has introduced more than a dozen audio and video recordings involving Anderson, including a number in which he is heard or seen talking about his willingness to help Cornell.

But during cross examination by defense lawyer Paul Stockler, former Cornell consultant Frank Prewitt testified that Anderson wasn't even on the list of targets when he began to work with the FBI in the spring of 2004 in a corruption investigation of legislators.

Prewitt said he began secretly recording Anderson at the FBI's direction after hearing from a Cornell lobbyist in Juneau that the legislator wanted to work for the company as a consultant. Prewitt, state corrections commissioner in the 1990s, is the government's chief witness.

Stockler seemed incredulous that would get the FBI's attention. "Just a guy who is looking for some consulting work?" he said in questioning Prewitt.

But the FBI was very interested in Alaska legislators and their questionable consultant contracts, Prewitt testified.

Later, prosecutor Nick Marsh asked Prewitt about a conversation in which Anderson's consulting work for Anchorage-based oil field services contractor Veco Corp. came up.

Bill Bobrick, a lobbyist in Anchorage, met with Prewitt at the Southside Bistro in Anchorage on July 21, 2004, to talk about setting up a political newsletter or Web business that would be used to funnel payments from Cornell to Anderson. Bobrick has pleaded guilty in the scheme. As it worked out, Cornell never learned of the plan, and the money for the payments came from the FBI.

In a recording of the lunch, Bobrick tells Prewitt that Anderson was making \$2,500 a month for Veco and "they just pay him to do nothing."

Stockler initially won a motion to bar the jury from hearing that. But prosecutors successfully argued Monday that they needed to show they had a reason to investigate Anderson. U.S. District Court Judge John Sedwick agreed that the conversation could be used to show it wasn't just "a lark by the government."

Did Anderson ever do anything for Cornell other than use his position as a state legislator? Marsh asked Prewitt. No, Prewitt answered.

Stockler pressed Prewitt on whether during their meetings, Anderson brought up getting paid. Usually, Prewitt acknowledged, he was the one to mention it.

"I never heard Anderson say 'Where's my money?'" Prewitt said.

FBI - Stevens-909

HOW LEGISLATORS BEHAVE

At a Dec. 21, 2004, meeting at the Whale's Tale at the Hotel Captain Cook, Prewitt slid an envelope with two checks -- one for \$6,000, one for \$2,000 -- to Anderson.

"He didn't even open it up and look at it?" Stockler said.

The kind of actions that Anderson took -- including asking Prewitt to e-mail him talking points about halfway houses that he then used in a letter to a state officials -- represents common behavior among legislators, Prewitt acknowledged.

The difference, he told jurors, is that Anderson was getting paid.

While the government introduced its recordings, including a voice-mail message, videotaped meetings and phone conversations, many others weren't played for jurors. Prewitt said under questioning by Stockler.

For example, on Aug. 5, 2004, Prewitt took Anderson, Bobrick and state Rep. Mike Hawker, R-Anchorage and the head of two key budget panels, on his sailboat for a trip out of Whittier. Prewitt acknowledged he recorded the outing.

Was the FBI following along in another boat? Stockler asked.

Don't know, Prewitt answered.

Wasn't the real reason for the sailing trip to make Anderson feel like a friend? Stockler asked. Prewitt said it wasn't.

On the trip, when Hawker was asked if he was on the budget panel for health, education and social services, he responded: "I own the HESS subcommittee," Stockler said. Wasn't that kind of talk just boastful? Stockler asked. True, Prewitt said.

While Hawker's name has come up in the trial as a supporter of private prisons and halfway houses, he wasn't getting paid to take those positions, Prewitt said.

As far as Prewitt's marching orders from the FBI, he said he was told not to do anything illegal but to explore certain areas, like consulting contracts. When the FBI first approached him, Prewitt himself was under investigation for possibly illegal acts stretching back to 1994.

Was he ever told he had to "bag a state legislator?" Marsh asked him.

No, Prewitt answered.

A FRIEND IN NEED

Another witness, Marc Antrim, corrections commissioner in the Murkowski administration, testified that he was in contact with the FBI as it was investigating Anderson.

Anderson, in the letter based on Prewitt's e-mailed talking points, asked Antrim for a meeting to talk about how halfway house beds were needlessly going empty.

Antrim told jurors that in fact, low-risk inmates were being put into halfway houses, but that to fill more beds, riskier or more serious offenders would have to be placed in them. That already was happening and the number of inmates walking away from halfway houses had "gone through the roof," Antrim said.

He said he explained that in an October 2004 meeting with Anderson.

Also on Monday, Bobrick began testifying for the prosecution. He told jurors that he and Anderson had been friends for years.

Sometime early in 2004 "Tom came to me and told me he needed money," Bobrick said. "He was my friend and I wanted to help him out."

Bobrick will be on the stand again today.

Find Lisa Demer online at adn.com/contact/lidemer or call 257-4390.

FOR MORE COVERAGE of the Anderson trial, visit

adn.com/corruption

Anderson trial at a glance

FBI - Stevens-910

THE DEFENDANT: Tom Anderson, 39, represented East Anchorage in the state House from 2003 until this year. He did not run in 2006.

THE CHARGES: Three counts of money laundering, two of extortion and one each of bribery and conspiracy.

THE CONSPIRACY: Federal prosecutors say Anderson participated in a scheme in which he agreed to do the bidding of the private prison firm Cornell Cos. in exchange for money.

THE CO-CONSPIRATOR: Lobbyist Bill Bobrick pleaded guilty in May to a single count of conspiracy. He set up a company reportedly to produce a political Web site for which Anderson would write. Prosecutors say it was a sham used to funnel payments to Anderson.

THE TRIAL SO FAR: The prosecution has finished with three witnesses. The main witness was Frank Prewitt, Alaska corrections commissioner in the 1990s and then a Cornell consultant. Working undercover for the FBI, he made about a dozen audio and video recordings involving Bobrick, Anderson or both. He testified that Anderson knew he was being paid to do what Cornell wanted.

COMING UP: Bobrick started testifying late Monday and continues today.

THE DEFENSE: Defense lawyer Paul Stockler hasn't yet put on his case, but he spent hours cross-examining Prewitt. His defense appears to be that the FBI entrapped Anderson, and that the actions Anderson took for Cornell were the kinds of things that legislators do. He portrays Anderson as an eager-to-please legislator who wasn't the one who kept talking about money.

Photo 1: Bobrick01_070307.jpg

Copyright (c) 2007, Anchorage Daily News

Author: LISA DEMER ldemer@adn.com Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-911



Access World News

Paper: Anchorage Daily News (AK)

Title: Anderson case likely to get to jury today -

DEFENSE: Lawyers say ex-jawmaker was duped by FBI; he doesn't testify.

Date: July 6, 2007

On June 13, 2005, an FBI agent left a message on then-state Rep. Tom Anderson's cell phone asking for his views on an upcoming federal appointment because he had been such a friend of law enforcement in the past.

But when Anderson showed up at the FBI building in downtown Anchorage the next day, he discovered that was just a ploy. He was the target of an undercover FBI investigation.

Huge blown-up pictures from a five-hour-long Prince William Sound sailing trip on the boat of Cornell Cos. consultant Frank Prewitt were on the wall. Agents played secretly made recordings of his conversations with Prewitt and lobbyist Bill Bobrick.

The agents wanted to get Anderson to cooperate in its ongoing corruption investigation. And for a time he did, prosecutors said.

The defense in Anderson's corruption trial wrapped up Thursday after five quick witnesses. The case is expected to go to the jury today after closing arguments. Anderson is charged with seven federal felonies, including bribery, extortion and money laundering.

Defense lawyer Paul Stockler maintained that Anderson never took any legislative actions for money. He tried to portray Anderson as a man who had no inclination to do anything shady but was lured in to doing questionable things by the FBI.

Anderson didn't take the stand. After court ended for the day on Thursday, Anderson said he trusted Stockler's judgment in directing his defense. With the case about to go to the jury, he said he felt anxious but didn't want to say much.

Earlier in the trial, Bobrick testified that he created a business that was supposed to produce a Web site about Alaska politics. But he told jurors that it ultimately became a sham used to funnel illegal payments from Prewitt to Anderson. Prosecutors assert that the money was used to get the legislator to do Cornell's bidding on halfway houses, a juvenile treatment center and a private prison. Though Anderson was supposed to have produced material for the Web site, witnesses have testified that he never did.

Bobrick has pleaded guilty and Prewitt worked undercover for the FBI, making recordings "as a cooperating witness."

Both sides suffered setbacks on Thursday. Two witnesses for Anderson weren't allowed to testify that he had approached them about the Web site.

And prosecutors lost their effort to bar an entrapment defense. Prosecutor Nick Marsh said they were never put on notice about it and there's no evidence Anderson was lured in.

But U.S. District Judge John Sedwick said, "It takes very little evidence to entitle a defendant to an entrapment defense." The judge said if he didn't allow it, and Anderson were convicted, he might appeal on grounds that he had "ineffective assistance of counsel."

Stockler said he didn't bring entrapment up earlier because he learned more about it during the trial, in particular how the FBI was steering the conversations and interactions Prewitt and others were having with Anderson.

AGENT TESTIFIES

One of the defense witnesses was the FBI case agent, Mary Beth Kepner, who has sat beside prosecutors throughout the trial. No FBI agents testified for the government.

With jurors out of the room, Stockler told Sedwick that he expected Kepner to say that the FBI told Anderson in that June 2005 meeting to stop working on the Web site. That would explain why Anderson hadn't written articles or done other demonstrable work in exchange for the \$25,838 witnesses said was paid to him.

But that's not what Kepner told jurors a few minutes later.

When asked by Stockler, Kepner testified that the FBI didn't tell Anderson to stop working on the site.

Why the ruse to get Anderson to meet with the FBI at that June meeting? prosecutor Marsh asked Kepner.

The FBI wanted to gain Anderson's cooperation in its ongoing corruption investigation and didn't want to blow its "covert status."

FBI - Stevens-912

Kepner told the jury.

Stockler also wanted to question Kepner about secret recordings that were not used by the prosecution, to show that they contained no evidence that **Anderson** was corrupt.

But, with the jury out of the room, the judge said that would be like someone going into a 7-Eleven store hundreds of times and only robbing it once -- all that matters at trial is whether the robbery happened.

"The government isn't on trial," Sedwick told Stockler.

The defense lawyer disagreed. The worst thing **Anderson** did was ask for consulting work, he said.

CLIENTS SUPPORT **ANDERSON**

Stockler called two of **Anderson's** former consulting clients on Thursday, asking them whether he voted their way in the Legislature after they paid him for consulting work.

No, said Bernadette Bradley, owner of The Bradley House restaurant and bar in South Anchorage and president of the hospitality trade group Anchorage Cabaret, Hotel, Restaurant and Retailers Association, or Anchorage CHARR.

In fact, she testified that **Anderson** -- the group's executive director before he took office and a sometimes consultant while in the Legislature -- voted against the group's interests a number of times. For instance, he supported legislation lowering the legal limit of blood alcohol content for driving.

The answer was not as clear cut regarding the Alaska Telephone Association, which paid **Anderson** \$20,000 in 2003, mainly with the hope that he'd end up better educated on telephone issues, according to James Rowe, the organization's executive director. **Anderson** and the association both ended up supporting the same bill raising fees charged for 911 services. The association was glad the increase wasn't even higher, Rowe testified.

Also testifying for **Anderson**: his legislative aide Josh Applebee, who worked on the Web site, and state Rep. Bob Roses, who replaced him in the Legislature.

In early 2005, Applebee was **Anderson's** chief of staff. He said he worked after hours to identify contacts in communities all around Alaska who might write stories for the site. By March, he needed direction from **Anderson** on how to proceed. That never happened, he acknowledged.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ANDERSON TRIAL: For more coverage, including past stories, his indictment and court motions, and audio excerpts of the opening statements, visit

adn.com/corruption

Caption:

Anderson

Caption:

Photo 1: **Anderson.1_070607.jpg**

Copyright (c) 2007, Anchorage Daily News

Author: LISA DEMER ldemer@adn.com Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-913

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson jury ends first day; no verdict -
CORRUPTION TRIAL: Jurors will return Monday to resume deliberations.
Date: July 7, 2007

A federal jury of eight women and four men spent Friday afternoon deliberating whether former state Rep. Tom **Anderson** took bribes, then concealed the money from the public, other legislators, state officials and even those closest to him.

They didn't reach a verdict and will be back in the jury room on Monday. The corruption case went to jurors around noon Friday, the trial's ninth day.

Anderson faces seven federal felonies including bribery, extortion and money laundering. He is accused of accepting payments to do private prison firm Cornell Co.'s bidding.

If he is convicted, he faces prison time and steep fines.

As a group, the jurors look relatively young. They are mainly longtime Alaskans. One attended Dimond High School with **Anderson's** wife, state Sen. Lesli McGuire. Several work with numbers: a payroll accountant, an insurance claims adjuster, a business manager. There's also a custodian, a Wal-Mart department manager, a pipeline technician.

During the trial, lobbyist Bill Bobrick testified for the government that he set up a Web business that was supposed to be about Alaska politics but ultimately was used as a way to funnel money to **Anderson**.

Nearly \$24,000 went to **Anderson** through Bobrick from a Cornell consultant, who was working undercover for the government. The consultant, Frank Prewitt, testified that he gave **Anderson** another \$2,000 directly. The Web site never got off the ground.

The FBI provided the money for the payments and Cornell didn't know about the scheme.

On Friday, lawyers on both sides gave impassioned closing arguments in a courtroom crowded with spectators including FBI agents, other attorneys, and friends and family of **Anderson**.

McGuire sat in the front row, as she has throughout the trial. **Anderson's** mother was there too. His father, a former director of Alaska State Troopers, didn't attend. **Anderson** said his dad is busy building a home in Wasilla but wanted to come.

PROSECUTOR: ANDERSON SOLD INFLUENCE

Prosecutor Nick Marsh, who is with the public integrity section of the U.S. Justice Department out of Washington, D.C., told jurors **Anderson** knew exactly what he was doing when he agreed to use his influence as a legislator on behalf of Cornell.

"It's for official acts. It's money for being a legislator," Marsh said.

But defense lawyer Paul Stockler argued that **Anderson** was not selling his votes. He was philosophically aligned with Cornell on issues already, Stockler said. His consulting work was "legitimate work for legitimate pay," the defense lawyer said.

Stockler tried to portray Prewitt as a government agent who lured **Anderson** into the scheme when he otherwise wouldn't have been inclined to do so.

"He's trying to get it to be something illegal," Stockler said.

FBI - Stevens-914

Prosecutors told jurors that they just need to listen to **Anderson's** own words to know he is guilty.

During his argument, which lasted more than an hour, Marsh replayed highlights from secret recordings involving **Anderson** and others that the jurors already were well acquainted with from the trial.

Marsh showed jurors video snippets of **Anderson** laughing with Prewitt about the Web site during an Aug. 17, 2004, meeting at the Whale's Tale at the Hotel Captain Cook.

Anderson told Prewitt he knew that the payments weren't really for Cornell banner ads on the Web site.

"Quit the bulls--- on the banner thing," **Anderson** is heard telling Prewitt.

"Does it look to you like Frank Prewitt is twisting Tom Anderson's arm here?" Marsh asked jurors, pointing to a frozen video image of Anderson smiling.

In a Nov. 16, 2004, meeting with Prewitt in his legislative office, Anderson complained that Bobrick was taking too big of a cut and that he didn't want to split the final payment, according to a recording replayed Friday.

Prewitt told Anderson he didn't need Bobrick's help within the Legislature -- Anderson was positioned for that.

At that point, Marsh said, Anderson could have jumped up and asked Prewitt what he was talking about.

"That's not what he says. He says 'I know. I know. Exactly,'" Marsh said.

During the same conversation, Anderson notes that he could quit the Legislature and go to work directly for Cornell. "But no, you don't want that. You want votes in the Legislature, I would assume," he says in the recording.

Marsh warned jurors not to be swayed by a smoke-and-mirrors defense. He displayed lists of Anderson's actions and comments on a screen for jurors: "The Money Was Not for the Web Site," "Tom Anderson Ties Official Acts to Money," "Acts of Concealment."

Prosecutors zeroed in on the fact Anderson didn't even want McGuire, who at the time was a state representative and his romantic partner, to know where the money was coming from.

"She'd say 'what, are you crazy?'" prosecutor Joe Bottini told jurors. "... The reason he doesn't do it is that he knows this stinks."

WHAT GOVERNMENT DIDN'T SAY

Prewitt, one of the government's main witnesses, recorded the conversations. He was under investigation for possibly illegal activities when he agreed to go undercover for the FBI in spring 2004 to help in its ongoing corruption investigation of Alaska legislators.

Stockler put the focus on Prewitt and Bobrick, who has pleaded guilty to conspiracy but hasn't been sentenced. The defense says they both turned on Anderson to save themselves.

The FBI only started looking at Anderson in the summer of 2004 when it heard he was looking for consulting work, Stockler said.

"That's scary," he told jurors. No one is free from that kind of scrutiny, he said.

"For two and a half years, they taped Tom Anderson, and you heard the few snippets the government has of him saying things either stupid or a little bit out of context," Stockler said.

He reminded jurors what Anderson told Prewitt in their first meeting on July 24, 2004: "You have my support there and it is out of principle, nothing to do with whether we come to agreement or not, which is nice."

Prosecutors didn't want jurors to know the real Tom Anderson, Stockler told them. He referred to a recording of an April 18, 2004, telephone conversation in which Anderson agreed to help Cornell, and there's no talk of paying him to do so. That occurred before Bobrick came up with his Web scheme, and prosecutors didn't play it for the jury.

"It's not so much what the government said. It's what they didn't say," Stockler said.

The Web site was a real project that only fell apart in June 2005 when the FBI confronted Anderson with its evidence to get him to cooperate in its investigation, Stockler said.

"They've already destroyed the man's political career," Stockler said. "Now we are talking about the rest of his life."

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

FBI - Stevens-915

NEWS BY E-MAIL: Have the Anderson verdict e-mailed to you immediately by signing up for our breaking news alerts at

adn.com/newsletters

Caption:

AL GRILLO / The Associated Press

Former Alaska state Rep. Tom Anderson, left, and attorney Paul Stockler leave the federal court building Friday.

Caption:

Photo 1: 7anderson_070707.jpg

Copyright (c) 2007, Anchorage Daily News

Author: LISA DEMER ldemer@adn.com Staff
Section: Main
Page: A1
Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-916



Access World News

Paper: Anchorage Daily News (AK)

Title: Forecast for Young, Stevens clouds up -

CONGRESSMEN: Increasing national scrutiny makes pair take notice of political winds.

Date: July 9, 2007

They are, by their own admissions, feisty and cranky, with tempers that underpin their reputations as old-school -- yet effective -- members of Congress. They have more than 70 years of service on Capitol Hill between them and aren't ready to call it quits.

But Alaska Sen. Ted Stevens, 83, and Rep. Don Young, 74, have also found themselves under increasing national scrutiny while their Republican party -- which staunchly supports them -- tries to mount a comeback to regain majority status in Congress.

The two men are being pushed on legal and ethical grounds for various cozy relationships with influential businessmen.

Yet neither plans to soften the tone or approach that enabled them to direct millions of federal dollars to Alaska.

Both are seeking another term next year, undaunted by the growing scrutiny and with hopes the Republicans will be back in power.

"People don't understand; if you don't establish yourself as the biggest dog in the yard, you're going to be chased out," Young said. "No one has been able to do that to me."

Political analysts say Young -- Alaska's lone representative since a special election in 1973 -- may be the most vulnerable right now, but Stevens could be in for the toughest time yet in his political career heading toward the 2008 election.

LONG-SERVING SENATOR

Stevens is facing scrutiny from federal investigators for a home remodeling project, an investigation that dovetailed with a corruption investigation into state officials.

Meanwhile, his son Ben, a former Alaska Senate president, was one of six state lawmakers who had their offices raided by the FBI last year. He has not been charged and has denied any wrongdoing.

Ted Stevens, a former prosecutor, said his attorneys have advised him not to discuss the investigation.

However, Stevens did say that he's not taking the investigation lightly, especially if it gains momentum.

"The worst thing about this investigation is that it does change your life in terms of employment potential," said Stevens, the longest serving Republican in Senate history who was appointed in 1968. "It doesn't matter what anyone says, it does shake you up. If this is still hanging around a year from November, it could cause me some trouble."

But so far, Stevens seems to be thriving on the setbacks. He was recently credited for helping broker a compromise on the Senate's energy bill.

"I think all this has increased my focus on doing my job," he said. "I'm working to get this concept out of my mind that someone is trying to make something illegal out of all this. That's what's really disturbing."

'EARMARKS ARE GOOD'

Meanwhile, criticisms launched at Young have come piecemeal over the last several years. He was connected to the scandal surrounding lobbyist Jack Abramoff when one of his former aides pleaded guilty to accepting gifts in exchange for official acts on the lobbyist's behalf.

He has also taken heat for earmarks, money awarded for specific projects. Young most notably gained national attention for securing \$200 million for a bridge project linking the southeast Alaska community of Ketchikan to its airport on Gravina, a nearby island, which became known as the "Bridge to Nowhere."

More recently, Young -- the former chairman of the House Transportation Committee -- is taking heat for directing money to a Florida road project study. The money was not sought by the district's Republican congressman but would benefit a major contributor to Young's campaign.

"When you are chairman of a committee, you represent the whole nation; you don't represent one district, which is in my case is one

FBI - Stevens-917

194A-AN-13620-m;431

state," Young said. "Earmarks are good for the country and good for the people you represent.

"That is the role of a congressman. If you can't get money for your district, you shouldn't be in Congress," he said.

The Democratic Congressional Campaign Committee put Young on notice that it will provide logistical and financial support to a strong party challenger. So far, his only challenger is Diane Benson, whom Young defeated for re-election in 2006.

"They are welcome to try," Young said. "I know that I'm the one they would like to eliminate. It doesn't bother me as long as I run a good campaign and do what's right for this state."

The first punch has already been thrown. The Democratic committee recently launched a radio ad criticizing Young's commitment to providing benefits to troops in Iraq and Afghanistan.

Committee spokesman Fernando Cuevas says the party nationally believes the old guard needs to step down, especially in Alaska where one current and three former state lawmakers face federal bribery and extortion charges.

"People are tired of seeing politicians in this light, from the state legislature to this," Cuevas said. "People are tired of the spin. That style is done. You are seeing politicians at a different standard."

DEMOCRATS SMELL BLOOD

Alaska Republican Party chairman Randy Ruedrich is not worried about the fate of his party's two warhorses. He said enough Alaskans will remember how Stevens and Young have helped the state grow, and not just the major cities, but the rural areas as well.

"Their work is what made good drinking water available to our rural system," Ruedrich said.

"They made life in many villages and small towns 20th century living rather than a honey bucket world," he said of the plastic buckets still used by some Alaskans without running water in their homes.

Ruedrich said he welcomes a challenge from Democrats who couldn't unseat U.S. Sen. Lisa Murkowski, who was appointed by her father to his seat when Frank Murkowski was elected governor in 2004.

But even as Democrats start to smell blood, political analysts say none of the troubles for Stevens or Young is enough to knock them off their perch just yet.

"Those two have been drilling for oil in Washington for a long time and they struck it rich," said David King, political science professor at Harvard University's John F. Kennedy School of Government.

"They are making sure they bring home the bacon to Alaska," he said. "Ideology and style don't matter as much as bringing money back home. That culture in Washington hasn't changed much at all."

Caption:

AL GRILLO / Associated Press archive 2004

Sen. Ted Stevens, right, stands with Sen. Lisa Murkowski and Rep. Don Young at a news conference in Anchorage in 2004. Stevens and Young have found themselves under increasing national scrutiny while their Republican party tries to mount a comeback to regain majority status in Congress.

Caption:

Photo 1: 9Alaska-Warhorses_070907.jpg

Copyright (c) 2007, Anchorage Daily News

Author: STEVE QUINN The Associated Press WIRE

Section: Main

Page: A1

Dateline: JUNEAU

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-918



Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson guilty on all counts -
Jury convinced the ex-legislator was paid for his political favors
Date: July 10, 2007

Federal jurors said they relied on former state Rep. Tom Anderson's own words to convict him Monday of conspiracy, bribery and other charges related to political corruption.

Eleven jurors returned seven guilty verdicts around 1:30 p.m., finding Anderson, 39, guilty of all charges against him.

Witnesses testified Anderson took money to do the bidding of a private prison firm. In all, Anderson received \$25,838 in 2004 and 2005, witnesses said. The money was supplied by the FBI through Frank Prewitt, a consultant for Cornell Cos., who secretly recorded his conversations with Anderson and a co-conspirator, former lobbyist Bill Bobrick.

Juror No. 9 was dismissed Monday after a closed hearing for reasons that weren't explained. Both sides agreed to go forward with fewer than 12.

Jurors at first were torn over whether Anderson had been entrapped by the government, said several reached after the verdict.

Jury forewoman Wendy Gilbert of Valdez said the key evidence came from a July 28, 2004, recording of a conversation between Anderson, Prewitt and Bobrick -- the first after the conspiracy began, according to the government.

Jurors asked for it to be replayed on Monday and found that Anderson had an idea what was expected of him from the start.

"They started talking about what he could do for Cornell," juror Travis Gardner of Chugiak said. And when Anderson was asked about his credentials, Gardner said, the first thing he said was that he's a legislator.

It didn't matter if Anderson would have taken the same actions anyway, such as getting on key budget committees, because he accepted money for it, said Gardner, 23.

Another juror said she felt prosecutors presented a "substantial amount of evidence."

Asked what was key in their decision, juror Marie Gieryic of Eagle River replied in an e-mail:

"In particular, the jury seemed to give the recorded conversations of Anderson and others considerable weight. From these conversations and other evidence presented at trial it became clear that Anderson understood he was taking part in illegal activities," Gieryic wrote.

The verdict should help "reinject ethics" into the Legislature, she wrote.

"By its verdict today, the jury aimed to send a strong message to Anderson and other legislators that there is a significant price to pay for abusing the public's trust in this manner," she wrote. Legislators need to think twice before they sell out.

Anderson and his attorney seemed stunned by the verdict. When the jury left the room, Anderson uttered a weary sigh.

"I'm devastated," he said. He said he'd appeal.

"The prosecution has criminalized being a legislator over this past year. And I think I fell victim to that," Anderson said.

Anderson's attorney, Paul Stockler, who doesn't do appeal work, said Anderson will need to think over what to do next after consulting with his wife, state Sen. Lesil McGuire, and a circle of advisers.

"I'm speechless right now," Stockler said. "But when you go up against the government, you risk losing." Anderson never tied the payment of money to any official acts as a legislator, Stockler said. "He was always willing to help, and it had nothing to do with money."

For the reading of the verdict, the courtroom quickly filled with FBI agents, prosecutors and staff members.

McGuire wasn't there. She and other friends and family came to the trial but couldn't get to the federal building in downtown Anchorage in time after jurors announced they had reached a verdict, Anderson said.

FBI - Stevens-919

McGuire was not accused of wrongdoing. In fact, prosecutors used the fact that Anderson hid the payments from her as further evidence of a shady deal.

With seven counts and an entrapment defense, the case was particularly complex, said Gilbert, the jury forewoman.

"There's a lot on the line and a lot on your shoulders, and you want to make sure you do the right thing," said Gilbert, a pipeline lab technician and mother of three.

But in the end, jurors concluded Anderson had not been lured to commit crimes by a government agent. He was not "entrapped."

The public corruption case against Anderson provided the first real test for the FBI and prosecutors in their on-going investigation of Alaska state legislators. Three other politicians are awaiting trial, though the schemes alleged in those cases are different. Those cases involve allegations of bribes paid by executives with oil field services contractor Veco.

Lawyers for indicted former Reps. Bruce Weyhrauch and Pete Kott, whose trial is set for Sept. 5, said the guilty verdict won't have any impact on their strategy because the facts are so different.

State Rep. Vic Kohring, whose trial is set for Oct. 22 and who is stepping down from his post next week, said he was saddened for Anderson but that his own resolve to fight the charges had not waned.

Nick Marsh and Joe Bottini prosecuted the case against Anderson. They didn't comment on the verdict, nor did the FBI in Alaska. The only government statement came out of Washington, D.C.

"Anderson has been held accountable for his crimes thanks to the hard work of federal prosecutors and FBI agents, and the Department of Justice will continue its pursuit of public corruption at all levels of government," U.S. Assistant Attorney General Alice S. Fisher said in a written statement.

One of the government's main witnesses was former lobbyist Bobrick. Juror Gardner said the panel didn't find Bobrick that believable. Bobrick pleaded guilty in May to conspiracy in the scheme and agreed to cooperate with the government in the hope of getting a lighter sentence.

Bobrick told jurors about a series of checks he wrote to Anderson or his consulting business that went far beyond the initial payments revealed before the trial: \$3,000 on Feb. 14, 2005, \$1,500 on Feb. 25, 2005, and more, on into June 2005. In all, Bobrick passed nearly \$24,000 through to Anderson, and Prewitt gave him another \$2,000 directly, according to their testimony.

Bobrick testified he had an idea for a political Web site that he had hoped would become a real business with Anderson, but it never did. Anderson was paid "for being a legislator," Bobrick told jurors.

But, as jurors indicated, Anderson's own words were most damaging.

On a Nov. 16, 2004, recording of a meeting in his Anchorage legislative office, Anderson brought up money and told Prewitt he didn't want to split the next payment with Bobrick.

Anderson served in the state House from 2003 to this year. He didn't run in 2006.

U.S. District Court Judge John Sedwick set sentencing for Oct. 2.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

CORRUPTION: For more coverage on the Anderson corruption trial, including past stories, his indictment and court motions, and audio excerpts of the opening statements, visit

adn.com/corruption
Caption:
ERIK HILL / Anchorage Daily News

FBI - Stevens-920

Former state Rep. Tom Anderson, center left, and his attorney, Paul Stockler, leave the federal building Monday after a jury convicted Anderson of conspiracy and bribery. Anderson, 39, was found guilty of all seven charges against him, including conspiracy to commit extortion, bribery and money laundering. "I'm devastated," Anderson said. "The prosecution has criminalized being a legislator over this past year. And I think I fell victim to that."

Caption:
Photo 1: Quote marks_123169.psd

Photo 2: VerdictAnderson_020 -14_123169.jpg

Copyright (c) 2007, Anchorage Daily News

Author: LISA DEMER ldemer@adn.com Staff
Section: Main
Page: A1
Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-921

NewsBank *Access World News*

Paper: Anchorage Daily News (AK)

Title: More corruption cases on deck -

REST OF YEAR: Three ex-lawmakers will stand trial; feds might look at Stevens.

Date: July 10, 2007

With former state Rep. Tom Anderson's conviction on all counts, the focus of the Alaska corruption investigation now shifts to two other pending trials involving three former legislators, and to the ongoing federal inquiry.

Former House Speaker Pete Kott, a Republican who represented Eagle River, and former Rep. Bruce Weyhrauch, a Juneau Republican, are scheduled to stand trial in Anchorage Sept. 5. They are charged with bribery, extortion, conspiracy and fraud in a scheme to sell their votes, including support for a change in taxes favored by the petroleum industry, to the oil-field service company Veco.

Former Wasilla Rep. Vic Kohring, also a Republican, faces four counts of bribery, extortion and conspiracy and is scheduled to be tried Oct. 22. He's also accused of selling his vote to Veco and its pro-oil industry policies.

Also pending are sentencing hearings for Anderson, scheduled Oct. 2, and for the three people who have confessed to bribing legislators: former Veco chief executive Bill Allen; Veco's former vice president for government affairs Rick Smith; and lobbyist Bill Bobrick. All three have pleaded guilty and are cooperating with federal authorities. Their sentencing dates have not been set.

The FBI and prosecutors will not describe the scope of their ongoing investigation or where they expect it to lead. But hints have surfaced from people who have testified before federal grand juries in Anchorage and Washington, D.C., and from references in court documents and search warrants.

Former Alaska Senate President Ben Stevens, an Anchorage Republican referenced in Allen's plea deal as the recipient of more than \$240,000 in illegal payments from Veco, has not been charged and has denied wrongdoing.

His father, U.S. Sen. Ted Stevens, R-Alaska, is being investigated for the 2000 remodeling of his home in Girdwood that was managed by Veco. Stevens has hired one of the most high-profile defense attorneys in Washington, Brendan Sullivan, who represented Oliver North in the Iran-Contra scandal. Stevens won't comment on the investigation.

In addition to Ben Stevens, the offices of at least two other legislators -- Republican Sen. John Cowdery of Anchorage and Democratic Sen. Donny Olson of Nome -- were searched by federal agents in August, but the two have not been charged.

A number of companies and individuals connected with the North Pacific commercial fishing industry in Alaska and Seattle were served with federal grand jury subpoenas demanding information about their ties to several people and organizations, including Ben Stevens, who has worked as a fisheries consultant.

INSIDE

ETHICS: Gov. Palin signs into law a reform package minutes after Anderson's conviction.

Alaska, Page B-1

Caption:

Lobbyist Bill Bobrick pleaded guilty to bribery.

Caption:

Photo 1: Quote marks_123169.psd

FBI - Stevens-922

Photo 2: BobrickMug_123169.jpg

Copyright (c) 2007, Anchorage Daily News

Author: Daily News staff news@adn.com Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News



Access World News

Paper: Anchorage Daily News (AK)
Title: Palin signs ethics reforms -
Law closes loopholes, stipulates bans as legislative cleanup begins
State Lawmakers to face new rules
Date: July 10, 2007

An ethics reform package for state officials was signed into law Monday by Gov. Sarah Palin, just minutes after a former state representative was convicted on seven federal counts of extortion and bribery.

Palin said the law will help re-establish trust between the public and elected officials by improving on existing statutes. The conviction of former Rep. Tom Anderson, an Anchorage Republican, makes the law more necessary than ever, she said.

"I believe it could be a precursor for what's to come, and it's unfortunate," she said. "This bill is a good start to getting the comprehensive ethics reform that we need here in Alaska."

Three more current or former Alaska lawmakers face corruption trials this fall. The former top two officers of Veco Corp., an Anchorage oil field services company, have pleaded guilty to bribing lawmakers.

Ethics reform had been a recurring theme throughout Palin's election campaign, and she pushed hard for the bill to become a bipartisan effort in the Legislature this session. She said she remains determined to clean up Alaska politics.

State Sen. Hollis French, D-Anchorage, said the law closes several loopholes and includes a ban on outside compensation for official acts. It also bans legislators from accepting campaign contributions as bribes.

"It's my further hope that by signing this bill we will close a shameful chapter in Alaska's history," French said during the signing of the bill at the Alaska Public Offices Commission in Anchorage.

French said the law sends a message to Alaskans that lawmakers are serious about acknowledging and correcting the problem, even if the law might not affect anyone's illegal activities.

"You can't write a bill that's going to make a dishonest person honest," he said.

French said some legislators had first proposed banning all consulting contracts, but that idea didn't survive. But he said the disclosure laws will be more strict next year, which could mean an unwelcome surprise for some legislators.

"There's probably going to be some chafing at the bit, if you will, when that comes about," he said.

While Palin and several lawmakers at the signing said they expected further refinements to the law to become necessary as its flaws become apparent, some cautioned against a knee-jerk reaction in the wake of Anderson's conviction.

"Let's not be reactive to what happened today," said Rep. Jay Ramras, R-Fairbanks. "I think we do better when we're deliberate, thoughtful and patient."

Rep. Bob Roses, R-Anchorage, who succeeded Anderson in the Legislature when Anderson didn't seek re-election in 2006, said the law didn't go far enough. Campaign contributions should be available for immediate public scrutiny, he said, and all contributions should be reported, even those below the current \$1,000 threshold.

"Quite frankly, I thought some of the things should have been a little tighter than what they were, but this is a first step," he said.

The law also requires lobbyists to report to APOC any food or drink they buy for a legislator that costs more than \$15 -- an unpopular stipulation among restaurant owners, particularly those in Juneau -- and it prohibits them from accepting gifts worth more than \$250 from the same person within a year, excluding food and tickets to charitable events.

The law also will prohibit people from registering as lobbyists if they have been convicted of a felony involving a moral wrong.

Reform gained momentum after FBI agents investigating corruption charges served search warrants on the offices of six legislators last August.

Rep. Vic Kohring, R-Wasilla, is resigning his House seat July 19 so he can defend himself against federal bribery and extortion charges related to his alleged dealings with Veco Corp.

FBI - Stevens-923

194A-AN-13620-M;434

Federal prosecutors also have charged former Republican Reps. Pete Kott and Bruce Weyhrauch of selling their votes to the company. All the legislators have pleaded not guilty.

MORE ONLINE: For past legislative stories, go to

adn.com/legislature

Caption:

FRAN DURNER / Anchorage Daily News

Gov. Sarah Palin signs House Bill 109 on Monday at the Alaska Public Offices Commission office in Anchorage. In attendance are, from left, Rep. Max Gruenberg, D-Anchorage; Rep. Bob Lynn, R-Anchorage; Sen Hollis French, D-Anchorage; and Brooke Miles, executive director of APOC.

Caption:

Photo 1: AK Legislature CMYK_071007.psd

Photo 2: Ethics01_071007.jpg

Copyright (c) 2007, Anchorage Daily News

Author: JAMES HALPIN The Associated Press WIRE

Section: Alaska

Page: B1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-924



Paper: Anchorage Daily News (AK)

Title: With Bobrick out, opportunity arises for other lobbyists -

BIG MONEY: Void opens after former go-to guy pleads guilty to conspiracy in corruption case.

Date: July 13, 2007

Until this year, Bill Bobrick was the busiest lobbyist in the city.

A former director of the state Democratic party and friend of the mayor, he represented about three dozen different clients over the past five years, according to public records.

Suddenly, the go-to guy on city issues is out of the game.

His clients have disappeared. He's pleaded guilty to conspiracy in a federal corruption case and the Anchorage Assembly slammed the door behind him, passing new rules that ban anyone with a felony record from registering to lobby the city.

So, if you're well-connected, don't mind hours of meetings about zoning rules and can navigate the maze of bureaucracy: Help wanted.

Two candidates for Bobrick's former title have emerged in his wake -- one an ad agency owner and the other a former lobbyist who until recently worked for the city -- although neither has as many clients as Bobrick regularly served.

"There's a void right now," said Marc Hellenthal, an Anchorage pollster and political consultant who worked for Republican candidates in this year's Assembly races.

"This is a career opportunity for somebody out there," he said.

But what kind of career is it exactly?

Assemblyman Dick Traini said lobbying the city is like being a pitchman.

"They're not really selling a tangible product, they're trying to sell an idea. And they're trying to get enough of the 11 people (on the Assembly) and the mayor that they can get it brought forward."

Jim Lottsfeldt, who owns an ad agency, registered to represent three clients before the Assembly this year.

"Government sometimes is hard to understand or hard to work with," he said, "And so you bring in specialists to help. Same reason you hire architects and engineers."

Lottsfeldt said lobbying the Assembly is different than lobbying the Legislature in Juneau because in Anchorage, Assembly members are going about their regular lives. They aren't living away from home in the rarefied atmosphere of the Capitol. Here, there's less wining and dining, he said.

Still, a successful lobbyist knows the local players by their first names.

"A lot of Bobrick's success simply was that he was politically connected," said David Dittman, a local pollster and consultant who works mainly for Republicans.

Bobrick ran the state Democratic party in the early 1990s. He donated at least \$1,000 to the campaigns of Assembly members Allan Tesche, Dan Sullivan, Dan Coffey, Traini and Mayor Mark Begich.

Begich was the best man at Bobrick's wedding in 1998 and the two have known each other for decades. Thursday, Begich said he never pushed anyone to hire Bobrick. In fact, people don't really need a lobbyist to do business with the city, he said.

"That's just bull. People want to come meet with me, they can walk through the door. If they want to go down to the Assembly, they can just show up."

Bobrick's conspiracy conviction involved passing bribes to former Anchorage Rep. Tom Anderson. On the witness stand, he said over and over that he regretted his actions.

The crime had nothing to do with city officials, he said in an interview Thursday.

FBI - Stevens-925

"As someone that's lobbied for over 20 years, I've represented clients in front of (former mayors) Tom Fink, Rick Mystrom, George Wuerch and the current mayor, and countless previous Assembly chairs and assemblymen and -women," he said. "And the crime that I pled guilty to has nothing to do with any assemblyman, assemblyperson, or mayor, past present or future. It only involved Tom Anderson."

'GOOD OLD CAPITALISM'

Lobbying is about relationships, said Lottsfeldt, who also works on state issues.

"It's relationships and the same thing in Juneau ... understanding how government works and how to navigate within government."

Lottsfeldt has signed on with an old Bobrick client, mall developer P. O'B Montgomery, one of five companies that cut ties with Bobrick after he got in trouble.

Lottsfeldt said the company called him, and that he hasn't chased Bobrick's other clients.

Lottsfeldt said he got into city lobbying because he saw a way to earn some money. "Just good old capitalism."

Another new lobbyist moving in Bobrick's wake will be a familiar face for city officials: Kevin Bruce.

Until March, Bruce worked for the Port of Anchorage, which is a city job. He said he won't be able to lobby on port-related projects, but represents Alaska Pacific Environmental Services, developer JL Properties -- both Bobrick clients at one time -- and BP Exploration.

Bruce is a former owner and founder of the public relations firm Northwest Strategies and has worked as a lobbyist before. But the job has changed in the past year, he said.

In December, the Assembly approved new ethics rules that ban lobbyists or their immediate families from donating to the political campaigns of city candidates, or helping those candidates raise money.

"You can't even support the people you like," he said.

Bruce earned a salary of roughly \$87,600 working for the port, according to city records.

During the Anderson trial, Bobrick said he made up to \$200,000 a year lobbying the Assembly.

That was news, even to local political junkies. Although the state requires lobbyists to report how much clients pay them, the city does not, even in the much-touted new ethics rules.

Bruce and Lottsfeldt wouldn't say this week how much they're being paid for their new work.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

Caption:

Bobrick

Caption:

Photo 1: 13bobrick_071307.jpg

Copyright (c) 2007, Anchorage Daily News

Author: KYLE HOPKINS khopkins@adn.com Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-926



Access World News

Paper: Anchorage Daily News (AK)
Title: Palin wants independent legislator -
KOHRING'S SEAT: She prefers someone who will stand up to pressure.
Date: July 13, 2007

While Matanuska Susitna area Republicans winnow down a list of replacements for a departing Wasilla legislator, Gov. Sarah Palin said she is looking for someone who won't be pressured to toe the party line.

Palin said she wholeheartedly agreed with a letter she received Thursday from Rep. Les Gara, D-Anchorage, who asked that she talk to candidates about their ability to stand firm under pressure.

"We have to change the culture in state government and we have to get away from politics as usual when politics as usual has allowed Alaska to arrive at the point it is today," said Palin.

At stake is the District 14 seat held by Rep. Vic Kohring. The seven-term Republican, who faces federal charges of bribery and extortion, announced last month that he would leave his position July 19 in order to concentrate on his defense. Kohring maintains that he is innocent.

Seven valley Republicans have met the qualifications for the job, according to district officials who will narrow the list to three today and forward it to the governor.

In a letter to Palin this week, Gara asked the governor to discuss with candidates their willingness to buck the pressure to vote along party lines.

Gara said party line voting has resulted in bad decisions and harmed party members who have broken ranks in the past to vote their consciences.

It led lawmakers to pass a flawed oil tax in 2006, he said. That's an issue that could be the first on the new lawmaker's plate in a special session later this year.

"We have a pretty split Legislature between those of us who believe in a much stronger oil tax and those of us who support the law we have on the books right now," Gara said. "That appointment is probably going to be a swing vote on whether or not we stick with what I think is a very flawed oil tax."

House Speaker John Harris, R-Valdez, said caucus members are required to follow party lines only in the final budget vote and procedural motions.

Though many House members supported a tax on gross production over the net profits tax that passed, Harris said it was clear such a tax would not have passed the Senate or former Gov. Frank Murkowski's veto pen. The final vote for a net tax, which was along party lines, was a compromise, he said.

He said Gara's letter was political posturing from an industry critic.

"Nobody is required to vote any certain line on oil taxation. They can vote any way they want to vote. Les is using this as a political opportunity," Harris said.

Harris, however, supports a special session to review the Petroleum Profits Tax.

FBI - Stevens-927

And Palin said she wants lawmakers to weigh in once more and make clear their wishes on a tax that she said passed under a dark cloud. And she said Kohring's replacement should demonstrate the knowledge, experience and integrity to make a good decision.

"I'm not going to make that candidate promise me anything except promise that they will fairly and objectively consider the situation we are in," she said.

Palin said a special session may be called for October or November if the state Department of Revenue can gather the information it needs to properly review the tax in time.

30 DAYS TO FILL SEAT

Meanwhile the governor has 30 days from Kohring's July 19th resignation to choose a replacement. She may choose from the list

forwarded by district officials or pick a district Republican of her own choosing. The candidate then must be confirmed by a majority of House Republicans.

District 14 Committee chairman Steve Colligan said at least 10 committee members will evaluate written and oral interviews with the candidates. They also will consider a public presentation by each candidate at an open meeting in Wasilla today.

The committee will score each candidate and announce the final three this evening.

"We are looking for folks with good conservative values, there's no doubt about that," said Colligan. "Part of being the best candidate is representing the constituents."

The seven candidates for the District 14 seat are Wes Keller, legislative staff member for Sen. Fred Dyson; Colleen Sullivan Leonard, governor's office staff, Wasilla Planning Commission member and former Wasilla City Council member; Darroll Hargraves, retired school superintendent; Steve Menard, governor's office staff and Wasilla City Council member; Pat Marley, Wasilla business owner; Greg Koskela, Wasilla business owner and Wasilla City Council member; and Dan Kelly, Mat-Su Borough Assembly.

Kohring and former state lawmakers Reps. Pete Kott and Bruce Weyhrauch were indicted last May on charges relating to alleged dealings with Anchorage-based oil field services company Veco Corp.

Two Veco executives, Bill Allen and Rick Smith, pleaded guilty to extortion and bribery.

In a separate case, a federal jury in Anchorage this week found former state Rep. Tom Anderson guilty of bribery and corruption.

Caption:

Vic Kohring's would-be replacements will be cut from seven to three today.

Caption:

Photo 1: Vic Kohring CMYK_071307.jpg

Copyright (c) 2007, Anchorage Daily News

Author: The Associated Press WIRE

Section: Alaska

Page: B1

Dateline: JUNEAU

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-928



Paper: Anchorage Daily News (AK)
Title: Valley GOP produces short list -
KOHRLING REPLACEMENT: Pool of three goes to governor.
Date: July 15, 2007

Mat-Su Republicans have chosen a short list of finalists to replace Rep. Vic Kohrling, R-Wasilla, who plans to leave office this week.

Kohrling, who faces federal bribery and extortion charges, says he is innocent. Local Republicans narrowed a pool of seven candidates for his job down to their top three choices Friday night. They are asking Gov. Sarah Palin to select among:

* Darroll Hargraves, a retired school district superintendent and former director of the Alaska Council of School Administrators. Hargraves also was a lobbyist for the council.

* Wes Keller, a legislative staff member for Sen. Fred Dyson, R-Eagle River.

* Colleen Sullivan-Leonard, a former Wasilla City Council member who works for the governor's office in the Mat-Su, and serves on the Wasilla Planning Commission. Sullivan-Leonard has run for Kohrling's seat before, and her husband, a former Wasilla city finance director, now works for the Palin administration as a deputy commissioner in the state Commerce Department.

"They each have their individual strengths," said Steve Colligan, chairman of the party's District 14 committee.

He said Palin could choose someone else entirely as long as that person is a registered Republican who has lived in the district since at least June 2005. A majority of House Republicans must confirm her pick to serve the remaining year of Kohrling's term.

*Kohrling's office was searched by federal agents in late August. He won re-election a little more than a month later with about 60 percent of the vote, defeating Democratic challenger Katie Hurley.

Kohrling's district includes the city of Wasilla, and is about twice the size of the city limits, Colligan said.

Palin's spokeswoman couldn't be reached for comment Saturday. Colligan said, "My understanding is, Monday (Palin) will be considering, talking to the candidates."

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

Copyright (c) 2007, Anchorage Daily News

Author: KYLE HOPKINS khopkins@adn.com Staff
Section: Alaska
Page: B1
Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-929



Access World News

Paper: Anchorage Daily News (AK)
Title: Young shells out for lawyers -
\$262,137: Campaign account is tapped for D.C. attorneys' advice.
Date: July 17, 2007

U.S. Rep. Don Young spent more than \$262,137 from his campaign account to pay legal bills this year, according to his most recent filing with the Federal Election Commission.

Between March 10 and June 15, Young's congressional fundraising committee, Alaskans for Don Young, paid two Washington law firms to advise him. Young's report shows his campaign spent \$242,306 with Akin, Gump, Strauss and Hauer, and another \$19,831 went to Tobin, O'Connor, Ewing and Richard.

The FEC report does not detail what sort of legal work the campaign is paying for. Young's office in Washington referred all questions to his campaign manager in Anchorage, Steven Dougherty. Dougherty would not address how the campaign money was being spent, and said he had no comment "regarding the FEC report and the legal fees we've paid."

In April, Young's campaign acknowledged paying the Akin, Gump firm a \$25,000 retainer in connection with campaign contributions from a Wisconsin trucking executive under indictment. At the time, Dougherty said, "With all the innuendo, accusations and words that have been out there, I just didn't think it was a bad decision to have some legal counsel and keep them on retainer for basic feedback and second opinion."

Young hired the legal team about the time that media in Milwaukee reported that the U.S. attorney's office there was looking into campaign contributions by businessman Dennis Troha. Troha reportedly benefited from new truck-hauling rules that Young helped pass in 2005 as part of a major transportation-spending bill.

Young, who received about \$20,000 in campaign contributions from Troha, his family members and associates, has said he does not recall ever meeting the man. Nor did he know Troha would benefit from new rules Young favored, he said.

Troha was indicted last month on charges of using family members to illegally funnel more than \$100,000 in campaign contributions to Wisconsin Gov. Jim Doyle and the state's Democratic Party.

Young also has been under scrutiny for sponsoring a \$10 million road project that helped Florida real estate developer Daniel Aronoff, just days after Aronoff helped raise \$40,000 for Young's re-election. A former aide to Young on the transportation committee, Mark Zachares, pleaded guilty in the Jack Abramoff bribery scandal.

Although some lawmakers faced with sizable legal bills establish separate defense funds, federal law allows them to spend the money they've amassed in their campaign finance accounts and it is not uncommon for them to spend it. The rules for using campaign contributions to pay legal bills are fairly broad, said Bob Biersack, a spokesman for the Federal Elections Commission. The only requirement is that the spending be related to legal bills connected to their role as an elected official.

"It's certainly acceptable whenever it applies to either activity related to the campaign or the responsibilities of the person as an office holder," Biersack said.

Young's campaign took in more than \$111,356 in contributions this spring, according to the FEC report, bringing his account to \$1.6 million.

Young's first quarter report from the beginning of 2007 shows that he spent the \$25,000 with Akin, Gump, Strauss and Hauer in March, but previous filings don't suggest he has regularly tapped his campaign account to pay legal bills.

The newest report shows he paid \$85,103 to the firm on April 18, \$87,128.23 on May 22 and \$70,075.04 on June 15. Smaller payments to the Tobin, O'Connor firm were also spread between April and June.

The most recent FEC filings, which were due at midnight Sunday, show that other high profile House members have tapped their campaign accounts to pay lawyers. They include former House Speaker Dennis Hastert, R-Illinois, who spent \$59,884 on legal bills last quarter, according to Congressional Quarterly's PoliticalMoneyLine. And Friends of Mark Foley, the campaign committee for the disgraced former Florida representative, reported spending \$277,357 on legal bills connected to the criminal investigation into the inappropriate e-mails he sent to underage pages.

WHAT DO YOU THINK? Does \$262,137 in legal bills seem like a lot for a congressman? Does the fact that it was spent in less than six months affect your opinion? To share your reaction, visit

FBI - Stevens-930

adn.com/alaskapolitics
Photo 1: DonYoung_071707.jpg

Copyright (c) 2007, Anchorage Daily News

Author: ERIKA BOLSTAD ebolstad@adn.com Staff
Section: Main
Page: A1
Dateline: WASHINGTON
Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-931



Paper: Anchorage Daily News (AK)

Title: Deadline bumped again for Stevens -

FINANCIAL FILING: Ethics Committee wanted a few clarifications from senator.

Date: July 17, 2007

The Senate Ethics Committee has given Sen. Ted Stevens a second extension for filing his annual financial disclosure statement after it asked him to make "a few technical clarifications," the senator's spokesman said Monday.

Spokesman Aaron Saunders said he could not elaborate on what changes needed to be made and issued a brief written statement.

"The Ethics Committee has completed its review and has asked Senator Stevens to make a few technical clarifications to his disclosure," the statement said. "To make these minor adjustments, the Committee has granted the Senator another extension."

Most members of Congress met the May 15 deadline for turning in information on their personal finances, including book deals, investments and property ownership. However, several besides Stevens also asked for extensions.

The 83-year-old senator is under close public scrutiny during this round of filings because FBI raids on the offices of several Alaska lawmakers last year included his son, former Alaska Senate President Ben Stevens. The raids were part of an ongoing corruption probe.

The FBI has asked the elder Stevens, who is the longest-serving Republican in Senate history, to retain records, and a federal grand jury is examining the remodeling of his Girdwood home in 2000 in connection with the investigation.

Four current and former members of Alaska's Legislature have been indicted in the last year on federal corruption charges. One, former Rep. Tom Anderson, R-Anchorage, was convicted by a federal jury last week. However, the FBI has not confirmed whether Stevens or his son are targets, and neither has been charged.

Stevens' statement was expected in mid-July. He now has until July 30 to submit the information, according to the U.S. Senate's Office of Public Records in Washington, D.C. Senators have up to 120 days to file the report without incurring a \$200 fine, according to Senate rules.

Caption:

Stevens

Caption:

Photo 1: 17stevens_071707.jpg

Copyright (c) 2007, Anchorage Daily News

Author: JEANNETTE J. LEE The Associated Press WIRE

Section: Alaska

Page: B1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-932

adn.com

Anchorage Daily News

Print Page

Close Window

Stevens aide says no sign Veco helped with fundraisers**FUNDRAISERS: Treasurer says "we wanted to pay all costs."**By MATT APUZZO
The Associated Press*(Published: September 28, 2007)*

WASHINGTON -- Sen. Ted Stevens' campaign has no evidence a contracting firm paid workers to help run the Alaska senator's fundraisers, the campaign treasurer said, disputing one employee's claim that he parked cars and performed odd jobs while on the contractor's payroll.

The FBI is investigating whether Stevens, the Senate's longest-serving Republican, accepted inappropriate gifts from Bill Allen, the founder of oil-services firm Veco Corp. Allen has pleaded guilty to bribing lawmakers and said he paid employees to renovate the senator's home.

One of those employees told The Associated Press last week that Allen also hired him to help run fundraisers for Stevens and other candidates, an apparent violation of campaign finance laws. Robert Williams said he worked three or four fundraisers for the senator, delivering ice, arranging table rentals and parking cars.

"If he was asked to perform services, we were never told he performed those services," said Timothy McKeever, the campaign treasurer. "We pay for all fundraising expenses."

McKeever said Wednesday night that in his 20 years working for the campaign, he never recalls seeing people parking cars for guests at fundraisers and was unaware of any Veco employees sent to work at the events. Allen did host a fundraiser at his home for the senator last year, but McKeever said the campaign insisted on paying for expenses.

"I was very clear with them to send us bills for everything. We wanted to pay all costs associated with that event," Mc-Keeper said. "We got bills, which we were told for all services."

Campaign finance reports show no payments to Allen but they do indicate more than \$12,000 in fundraising expenses were paid in mid-July 2006. That's around the time that Allen and other Veco executives -- who typically donated at fundraisers rather than through the mail -- donated \$1,000 apiece to the campaign.

McKeever did not recall the date of Allen's fundraiser but said "we don't have any outstanding bills unpaid" for it.

FBI - Stevens-933

Stevens has made a similar statement regarding his home renovation project, saying he paid every bill he received. Williams, who oversaw the project, backed that up in his interview last week, saying he recalled Stevens asking Allen to send him all the bills. But Williams now suspects Allen did not send all the bills and instead "did what he thought he could do."

The FBI raided Stevens' home in July and agents have assembled bills and other documents related to the project. Investigators also have amassed records on Veco's fundraising practices.

McKeever said the FBI has not asked or subpoenaed the campaign for records and has not

approached him. The Federal Elections Commission has also not inquired about Veco, he said.

Though corporations are prohibited from donating money or services to campaigns, election lawyers have said Stevens likely cannot be held responsible if he did not know the employees were on the clock.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-934

House calls for special session -**SENIORCARE: Speaker asks the Senate to join the effort.***Anchorage Daily News (AK)*

June 1, 2007

Author: SABRA AYRES

Anchorage Daily News

Staff

Estimated printed pages: 3

House Speaker John Harris is asking the Senate to join his members in calling themselves back into special legislative session as soon as this month to address extending a state assistance program for Alaska's neediest seniors.

In a letter Thursday to Senate President Lyda Green, Harris said more than two-thirds of the House membership favors coming back into session before the end of June.

Harris requested lawmakers readdress funding the SeniorCare program as well as legislation that backers say could ease the funding shortfall in state pension plans.

Before adjourning May 16, the Legislature failed to pass bills that would have extended the \$10.3 million-a-year SeniorCare program. A week later, Gov. Sarah Palin announced she had authorized the state to continue the program for another month after it expires June 30. The program provides checks of \$120 a month to seniors living on less than \$16,133 a year for singles or \$21,641 for couples.

Continued funding for SeniorCare was a contentious issue during the final days of the legislative session.

Several Republican lawmakers viewed the program as an expensive state-funded entitlement.

Some, like Rep. John Coghill, R-North Pole, argued the state already has several underused programs for needy seniors.

Palin called earlier for a special legislative session this fall to revisit the petroleum production tax, the 2006 legislation that is at the center of a federal bribery investigation. Three current or former lawmakers are under indictment on charges of accepting bribes in exchange for their votes on the tax. Two executives of Anchorage oil services company Veco Corp. pleaded guilty last month to paying the bribes.

House Democrats last month asked Palin to add SeniorCare to that session.

According to the state constitution, lawmakers can call themselves back into a special session if two-thirds of them agree. The governor can also call the Legislature into a special session.

Aides to Green, R-Wasilla, said the senator had discussed the possibility of a June special session with Harris, but had not had a chance to poll other senators to see if there was enough support.

House Minority Leader Beth Kerttula, D-Juneau, said the Democrats supported Harris' request to address the issue sooner than this fall.

"However it gets done, we want to see our seniors taken care of," she said.

Harris, R-Valdez, said the special session should be in Anchorage, not Juneau, and before the SeniorCare expires on June 30.

"The fall is too far out," he said. "We don't want to get into appropriations to extend it temporarily. That's risky ground."

FBI - Stevens-935

Lawmakers would need only a few days to work on the bill and get something passed, he said.

Daily News reporter Sabra Ayres can be reached at sayres@and.com or in Juneau at 1-907-586-1531.

194A-AN-1362D-m; 441

Government will reflect public's values, good or bad

Anchorage Daily News (AK)

May 30, 2007

Author: MICHAEL CAREY

COMMENT

Staff

Estimated printed pages: 3

After oil was discovered at Prudhoe Bay in 1969, my dad told me, "If you want to see your future, go to Oklahoma."

My dad, Fabian, was no fan of the oil industry. He meant: If you want to see your future, go to Oklahoma and see political corruption. From his perspective, wherever Big Oil thrived, corruption followed, and he would point to Louisiana and Texas as well as the Sooner state.

Fabian was a son of the Midwest progressive tradition, born in Minneapolis, the home of a powerful good-government movement for the first half of the 20th century.

My dad failed to tell me the whole story, however. Once upon a time, Minneapolis was one of the most corrupt cities in the United States, subject to the outrage of muckraker Lincoln Steffens.

Steffens was appalled by Mayor "Doc" Ames, a physician whose greed apparently became boundless after he was elected in 1900. From city hall, Ames organized crime and vice, making gamblers, saloon owners, prostitutes and con men beholden to him. They all paid a cut to the government -- that is, Ames -- in exchange for freedom to flourish. The police department, under the direction of the mayor's brother, guaranteed their freedom. One source says Minneapolis had 150 brothels at the time.

In a series of essays condemning corruption, "The Shame of the Cities," Steffens paused to explain why Minneapolis and other major turn-of-the-century communities were led by boodlers out for the buck.

Everywhere he looked, Steffens found moral failure, especially in the business community.

America is ruled by business values, Steffens said, and business values are about one thing: money.

"The commercial spirit is the spirit of profit, not patriotism; of credit, not honor; of individual gain, not national prosperity; of trade and dickering, not principle," Steffens wailed. And he wasn't finished as he went on to condemn the very fabric of American commercial and political life.

"The Fourth of July oration is the front for graft. There is no patriotism in it, but treason. It is part of the game. The grafters call for cheers for the flag, 'prosperity,' and 'the party,' just as a highwayman commands 'hands up!'"

This is the prose of an angry man, a man who could conclude "the spirit of graft and lawlessness is the American spirit."

You won't be surprised that Ames dismissed Steffens' moral indignation. In a speech to temperance advocates, Ames suggested reformer types were disturbing God's natural order. Temptation had existed since Adam and Eve met the serpent in the garden of Eden, Ames maintained. Who were the do-gooders to eliminate temptation and its fruits?

If American capitalism habitually abuses American democracy for its own ends, if the world is inherently a sinful place where temptation abounds, how do we reform government -- how do we reform Alaska government now that we know the serpent had a suite at the Baranof Hotel during legislative sessions?

FBI - Stevens-936

Years ago, I asked the pioneer game warden Sam White for the best way to ensure Alaskans obey fish and game laws.

"Build lots of jails, sonny, and fill 'em," he replied.

It's tempting to apply the Sam White solution to politics, except it's doubtful we could maintain our democracy if we made the state House and the jailhouse equal branches of government.

Doc Ames never spent time in jail. He was driven from office by citizens who could not stand the stench at city hall.

It's a terrible cliché, a traditional bromide, but people have to care about honest government to get honest

government. And they have to create institutions with the strength and reach to restrain would-be corrupters. Bill Allen of Veco acquired so much power in the Republican Party and the halls of the Legislature, there was no one to restrain him. No one in Alaska, anyway. He achieved his power through his money, dispensed legally and illegally. Is there anybody who doubts that?

It angered Lincoln Steffens to discover the American people were complicit in the corruption of their cities, and it depressed him to admit this was the only real discovery in his reporting. The venality of American business was for Steffens old news, although he ranted about it.

Steffens was doubly angered and depressed when he realized why the people were complicit in their own corruption.

Because the American people thought politics was for someone else to worry about. Because the American people themselves were often as venal as their corrupters. Because the American people admired wealth even when born of chicanery and crime.

Government has to matter to you if you want to make it honest. And you have to be honest yourself.

If you don't care and you're not honest, you can expect a government that reflects your values.

Michael Carey is the former editorial page editor of the Anchorage Daily News. He can be reached at mcarey@adn.com.

Photo 1: Michael_Carey_BW_053007.jpg

Edition: Final
Section: Alaska
Page: B7

FBI - Stevens-937

Some call Stevens vulnerable -**IN MINORITY: Still, more than a million has poured in for campaign.**

Anchorage Daily News (AK)

June 1, 2007

Author: KYLE HOPKINS

Anchorage Daily News

Staff

Estimated printed pages: 3

Known for delivering cash to Alaska, U.S. Sen. Ted Stevens is now raking it in.

"No other candidate for federal office in Alaska has ever raised the kind of money the senator has raised in the last six months," said Tim McKeever, treasurer for Stevens' re-election campaign.

But even as he rapidly stockpiles money for his re-election campaign, potential opponents are wondering: Is 2008 the year Uncle Ted is actually vulnerable?

Stevens is an Alaska icon and one-man state industry, bringing huge amounts of federal dollars here. Supporters say he's as vital and feisty as ever. But he is 83 years old and now in the Senate minority.

His son, former state Sen. Ben Stevens has been linked to -- although not indicted in -- a federal corruption investigation.

"He's not as popular as he was in years past, and each day that goes by he gets a little bit softer," said Ivan Moore, an Anchorage polister who often works for Democrats.

Still, no heavyweight opponents are clamoring to take Stevens on. At least not yet.

Moore said two high-profile Democrats are potential candidates: Anchorage Mayor Mark Begich and former Anchorage state Rep. Ethan Berkowitz.

Asked Thursday if he'll run, Begich said he's focused on the job he has. Uprooting his family and jumping into the meat grinder of D.C. politics isn't something he'd do lightly, he said.

"If you're going to run for an office just because people told you you have to, you're not going to be happy," he said.

Begich said he's fielded recruitment calls from the Democratic Senatorial Campaign Committee and Democratic Congressional Campaign Committee, which spend big to help candidates get elected across the country.

Berkowitz ran unsuccessfully for lieutenant governor alongside fellow Democrat Tony Knowles in last year's gubernatorial race. He said he's thinking about a potential U.S. Senate run but hasn't made a decision.

Two lesser-known candidates, Unalaska City Councilman Rocky Caldero and Nels Anderson, a Soldotna doctor, plan to challenge Stevens, said Jake Metcalfe, chairman of the state Democratic Party.

Polister and political consultant David Dittman has worked for Stevens campaigns in the past and said he may work for the senator in 2008.

This race could be different for Stevens if national Democratic groups choose to target his seat, Dittman said. He said they might go after him because he's a high-profile Republican in a state where it takes less money to reach voters.

FBI - Stevens-938

FBI investigations and federal prosecutions now under way add an X factor to next year's election.

Over the past month, one current and two former state lawmakers have been indicted on federal extortion and bribery charges. Two executives for the Veco Corp. pleaded guilty to bribery, conspiracy and tax charges and are now cooperating with authorities. Although Ben Stevens hasn't been charged with any crime, the charges against others link him to the corruption cases.

Dittman said he doesn't think voters lump the two Stevenses together, while McKeever, the campaign treasurer, said he doesn't expect the investigation to affect Ted Stevens' campaign.

"Sen. Stevens has served Alaska for many years," McKeever said. "He's got a record of accomplishment and service. He's got influence in Washington that I think would be difficult for anybody to match."

The FBI and a federal grand jury have been investigating the extensive remodeling of Ted Stevens' Girdwood home in 2000, and the involvement of Veco in the project.

McKeever wouldn't comment on the remodel investigation, but Metcalfe, the Democratic Party chairman, says the investigations make Stevens vulnerable and could embolden opponents.

According to the Fairbanks Daily News-Miner, Stevens has said that depending on who runs against him, he may have to raise as much as \$5 million.

Over a six-month period ending March 31, Stevens raised about \$686,000, McKeever said Thursday, bringing his total so far to more than \$1 million.

"Every time Sen. Stevens runs a campaign, he runs expecting that he will face a strong opponent," McKeever said.

Daily News reporter Kyle Hopkins can be reached at khopkins@adn.com.

Caption:

Stevens

Caption:

Photo 1: Ted Stevens CMYK_060107.jpg

Edition: Final

Section: Main

Page: A1

FBI - Stevens-939

Weyhrauch fought off bites of cold, mosquitoes

Anchorage Daily News (AK)

April 25, 2007

Author: SABRA AYRES

Anchorage Daily News

Staff

Estimated printed pages: 3

Despite uncontrollable shivering and swarming mosquitoes, former state legislator Bruce Weyhrauch says he never thought about the possibility of dying during the 17 hours he spent wet, cold and missing after falling off his boat and swimming to a nearby island in the icy waters of Auke Bay.

Weyhrauch said that keeping warm was his first priority. But thoughts about his tight-knit family and the belief that someone was watching over him kept him going, he said in a telephone interview Tuesday from his home.

Weyhrauch, 54, is recovering from hypothermia. He fell into the 43-degree waters of the bay, about 15 miles north of Juneau, Sunday evening after slipping and losing his balance while alone on his boat.

He recalled he swam for about an hour before reaching Coghlan island, where he spent the night fighting off biting mosquitoes and cold.

His family reported the former member of the Alaska House and practicing Juneau attorney missing Sunday night, after the Coast Guard found his Boston Whaler abandoned but with its engine still running. A long search began, and Weyhrauch was located on the sandy shore of the island Monday morning at about 11 a.m.

"I didn't want to anticipate rescue," he said. "There's no manual for how to do this. I just had to maintain being calm, look at options, and then make the decision and do it."

Weyhrauch said he set out swimming for Coghlan Island after realizing his boat was moving too fast to catch. He swam with his back away from the island to keep the cold water from rushing into his body's core. He kept his arms as close to his side as possible, he said, in order to try to retain body heat. The position caused him to swim like the cartoon character Nemo, he said.

His feet and legs cramped early on in the swim, while his arms weakened to the point of uselessness. When he finally made it to the shore, he had no energy left and let a wave give him the final push to land.

After resting on the sandy beach for some time, Weyhrauch, said he stumbled into the woods.

HOME IN SIGHT

Across the bay, Weyhrauch could see his family's house and the regional ferry terminal.

Curled up in the fetal position in wet leaves, he spent most of the night shaking from the cold and enduring mosquitoes.

In the morning, he recovered the strength to move back to the beach. He said he believes he saw at least one boat pass by the island. He waved and the passengers waved back but must have been unaware of the search efforts, he said.

He then spotted rescuers from the Southeast Alaska Dogs Organized for Ground Search, a volunteer search and rescue group based in Juneau who were searching the island.

FBI - Stevens-940

The Coast Guard airlifted Weyhrauch to Bartlett Regional Hospital. Doctors released him late Monday afternoon.

Weyhrauch said Tuesday he felt like he had been "kicked by a million crickets" and had pain in his jaw and teeth from chattering.

When asked how his family was handling the ordeal, he said they must be relieved to have him home again.

"The dishes were starting to stack up," he joked. Weyhrauch lives with his wife and three children.

Weyhrauch was wearing a float coat when he fell overboard. He said while knowledge and experience around Southeast waters is essential, boaters should think about carrying a communication device such as

a cell phone in a plastic bag when on the water.

His life-threatening ordeal won't stop him from boating in the future.

"This is Alaska," he said. "What am I going to do, ignore the fact that the waters are cold?"

Daily News reporter Sabra Ayres can be reached at sayres@adn.com.

Caption:

Weyhrauch

Edition: Final
Section: Alaska
Page: B1

FBI - Stevens-941

Special interests win again in Juneau, and we all lose

Well, well, well, things just never change.

The largest, richest church in Anchorage will have to pay even less property taxes in the future ("Church scores tax exemption for houses," May 10). Looks like more anti-Robin Hood behavior to me. Give to the rich, take from the poor and middle class. The Alaska Legislature should be ashamed. Special interests win again at the cost of the average Alaskan. I guess we can thank Sen. Lyda Green from Wasilla for some last-minute maneuvering to get this one passed.

Next is the oil tax bill and gas line negotiations. How much are we going to give in to the mighty oil companies to get these things accomplished?

They are so afraid in Juneau that the oil companies are going to pick up and leave the state. Pul-eeze. They aren't going anywhere. Especially when they can pull the strings of our governor and Legislature to get whatever they want.

I vote every time, and I won't be voting for any incumbents from my district.

I only hope that there are enough voters out there that are tired of the shenanigans in our capital and vote to get rid of those who are hurting Alaska.

-- Lori Wilkins

Wasilla

FBI - Stevens-942

194A-AN-13620-m; 445

adn.com

Anchorage Daily News

Print Page

Close Window

Weyhrauch trial won't move

REQUEST DENIED: Judge rules Anchorage is better for high-profile case.

The Associated Press

(Published: August 6, 2007)

The corruption trial for former Rep. Bruce Weyhrauch, R-Juneau, will remain in Anchorage, a federal judge has ruled.

The request by Weyhrauch to move his corruption trial from Anchorage to Juneau was denied in a written ruling by U.S. District Court Chief Judge John Sedwick.

Anchorage has a larger jury pool and a larger courthouse that is more equipped to accommodate a change of courtroom in the event of a technology failure, Sedwick wrote in the ruling.

Sedwick noted that two key witnesses in the trial both live in Anchorage. They are former Veco Corp. CEO Bill Allen and former Veco vice president Rick Smith.

The decision also applies to former Alaska House Speaker Pete Kott, Weyhrauch's co-defendant, and his trial will also be held in Anchorage.

Weyhrauch had said he wanted his trial moved to Juneau to avoid delays and save money. Weyhrauch and Kott, a Republican who represented Eagle River from 1993 until this year, live in Juneau.

They are accused of selling their votes and influence to oil field services contractor Veco and Allen during last year's debate on oil taxes. Their trial is set to begin in Anchorage on Sept. 5.

Weyhrauch, an attorney with a wife and three young children, served in the House from 2003 until his term ended this year. He didn't run in 2006.

Allen and Smith have pleaded guilty to extortion and bribery related to their dealings with legislators.

Print Page

Close Window

FBI - Stevens-943

Copyright © 2007 The Anchorage Daily News (www.adn.com)

2208501.07h

194A-AN-13620-mj 446

<http://www.adn.com/news/politics/fbi/v-printer/story/9198164p-9114524c.html>

8/8/2007

adn.com

Anchorage Daily News

Print Page

Close Window

Young finally pays the bill for 7 years of crab at fundraisers**'CRAB FEED': E-mail notes in-kind contributions; payback is \$5,583.**

By ERIKA BOLSTAD

ebolstad@adn.com

(Published: August 7, 2007)

WASHINGTON -- U.S. Rep. Don Young has agreed to reimburse a seafood trade association \$5,583 for the cost of providing food at his annual "Crab Feed" fundraiser for the past seven years.

Young's campaign treasurer said that this spring the Pacific Seafood Processors Association sent the campaign an e-mail, saying the group had researched its records and determined it had made in-kind contributions that needed to be disclosed. The campaign wasn't aware of the contributions until receiving the e-mail, said Robert Bohnert, Young's campaign treasurer.

Originally, the campaign was going to reimburse the industry group only for the 2004-2006 contributions, but decided last week to also send back the 2001-2003 contributions, worth about \$3,175 total. Typically, the Pacific Seafood Processors Association provided between \$700 to \$900 in seafood for the event, Bohnert said.

Bohnert said he did not know why Young or his lawyers made that decision, and referred further questions to Young's campaign manager, Steven Dougherty.

"We're not commenting at this time," Dougherty said. "We're not commenting on issues pertaining to this topic."

But until the seafood trade association told them about the in-kind contributions, they weren't aware of them, Bohnert said. They pay someone to organize the event, including ordering the food and renting out the Capitol Hill Club. The annual event is a Washington tradition for Alaska's Republican congressman.

"If we don't know about it, we can't do anything about," Bohnert said. "I don't know what prompted them to send it to us."

In July, Young disclosed to the Federal Elections Commission that he spent more than \$262,137 from his campaign account to pay legal bills this year. Between March 10 and June 15, Young's congressional fundraising committee, Alaskans for Don Young, paid two Washington law firms to advise him.

Young, who is under investigation by the FBI, has refused to address questions about the federal inquiry.

Young has four major fundraisers scheduled this August while he is in Alaska, Dougherty said. There's a pig roast in Anchorage on Wednesday, salmon bakes in Fairbanks and Anchorage on Aug. 13 and 15, and an Aug. 16 golf tournament in Palmer. He also plans his annual mooseburger fundraising event in September, when Congress goes back into session.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-944

220K362.04h

194A-AN-13620-m;447

<http://www.adn.com/news/politics/v-printer/story/9199855p-9116296c.html>

8/8/2007

adn.com

Anchorage Daily News

Print Page

Close Window

Ben Stevens lands job on the sea

BACK TO ROOTS: Former Senate president will crew on Shell Oil support vessel in Beaufort Sea.

By WESLEY LOY
wloy@adn.com

(Published: August 8, 2007)

Ben Stevens, the former state senator who has come under scrutiny along with his father in a broad federal public corruption probe, has taken a new job far from his Anchorage home.

The younger Stevens has been hired as a crewman aboard a work boat supporting Dutch oil giant Shell's planned Arctic Ocean exploratory drilling campaign.

The job marks a return to a former seafaring life for Stevens, who for many years ran crab fishing boats in the Bering Sea.

A Shell contractor, Bering Marine Corp., a unit of Anchorage-based transportation company Lynden Inc., hired Stevens as mate and relief skipper aboard the 121-foot combination tug and landing craft Arctic Seal.

The vessel is supporting a Shell-hired drilling ship now sitting in Dutch Harbor, preparing for a drilling campaign later this summer in the icy Beaufort Sea off Alaska's northern coast.

Stevens and the crew of the Arctic Seal have been ferrying heavy equipment and supplies from land to the drill ship Frontier Discoverer, which is anchored offshore.

Lynden executives said they called Stevens and offered him the job. They said he had previously worked for the company running boats.

"He's licensed, qualified, and right now it's hard to find good experienced employees like that," said Rick Gray, president of Bering Marine.

Lynden president Jim Jansen added that working aboard the Arctic Seal is no glamour job. He called it "a pretty crude piece of equipment."

"It's a very dirty and difficult job, and we pay Ben the identical wage that any other crew member in a similar position would get," Gray said. "We're real proud to have Ben working for us."

Stevens, who was state Senate president until his term ended in January, has come under scrutiny amid a federal investigation that has resulted in bribery charges against four former state lawmakers, one of whom has been convicted.

Stevens, 48, was among several lawmakers whose Anchorage legislative offices were searched by FBI agents nearly a year ago.

He hasn't been charged with any crime, but federal prosecutors have made reference to a "State Senator B" -- unmistakably Stevens -- who took \$243,250 in bogus "consulting" fees from Bill Allen

FBI - Stevens-945

340K 303.07h
<http://www.adn.com/news/politics/fbi/bstevens/v-printer/story/9203372p-9118875c.html>

194A-AN-13620-M;448

8/8/2007

and his oil field services company, Veco Corp.

Allen pleaded guilty in May to bribery and other charges, and admitted that the payments to Stevens were mainly for influencing legislative action. Allen also offered to make Stevens a Veco executive, court papers say.

U.S. Sen. Ted Stevens, R-Anchorage, recently has come under scrutiny as well after federal agents searched the senior senator's Girdwood home, which was remodeled in 2000 with Allen and Veco taking a hand in the project.

Ben Stevens, who is living aboard the boat, could not be reached. But he asked his attorney, John Wolfe of Seattle, to return a reporter's call.

Wolfe said Tuesday that Stevens has a background in running boats, as well as a wife and children. So when the job offer came from Lynden, he took it.

"It's like many of the jobs Ben Stevens has had. It's hard work," Wolfe said. "It's a job he's well-qualified to do. He's had years of experience on the sea."

Wolfe added that Stevens is "innocent of any charges," and that Lynden saw in him the honesty and integrity necessary for the responsibility he's been given.

He said he didn't know how much Lynden is paying Stevens.

Gray and Jansen said Stevens has been hired for the Shell project, and that the job could last until the Beaufort Sea ices up this fall, marking the end of the offshore drilling season.

Whether the drilling will proceed, however, is an open question as environmentalists, the North Slope Borough and other challengers have won a temporary block of Shell's plans in federal court. At issue is whether the drilling could disturb migratory bowhead whales hunted for subsistence.

That's why Shell's drill ship remains in Dutch Harbor. If Shell can prevail in court and also secure some remaining permits, the ship will head north to the Beaufort Sea.

And so, mostly likely, will Stevens and the Arctic Seal, which is mentioned in Shell's plans as part of a support fleet to voyage to the Beaufort for the drilling.

Find Wesley Loy online at adn.com/contact/wloy or call 257-4590.

Print Page

Close Window

FBI - Stevens-946

Copyright © 2007 The Anchorage Daily News (www.adn.com)

adn.com

Anchorage Daily News

Print Page

Close Window

FBI investigates science contracts awarded Veco

ARCTIC: \$170 million in research contracts coincided with support for polar funding by Sen. Stevens.

By ERIKA BOLSTAD and GREG GORDON
McClatchy Newspapers

(Published: August 16, 2007)

WASHINGTON -- The FBI is investigating the National Science Foundation's award of \$170 million in contracts to the oil field services company that oversaw renovations on U.S. Sen. Ted Stevens' home.

The firm, Veco Corp., captured a lucrative five-year NSF contract in 1999 to provide logistics and support for polar research, although it had no previous experience in that field. During the same time period, Veco's top executive managed renovations that doubled the size of the longtime Republican senator's Girdwood home -- the scene of a July 30 FBI raid.

NSF spokesman Dana Cruikshank told McClatchy Newspapers that the FBI has made inquiries into the 1999 award, worth up to \$70 million, and a 2004 follow-up contract for as many as seven years that the company values at up to \$100 million. Justice Department spokesman Bryan Sierra and spokeswoman Deborah Weierman of the FBI's Washington field office, which is leading the investigation, declined comment on the NSF contracts.

Veco's founder and CEO, Bill Allen, pleaded guilty this spring to making \$400,000 in illegal payments to Alaska lawmakers, including Stevens' son, Ben, who until last year was president of the Alaska Senate. Allen is cooperating in a sweeping FBI corruption investigation that also has led to the conviction of a former Alaska state representative and guilty pleas from a second Veco executive and a prison-industry lobbyist.

Three other state lawmakers are awaiting trial on bribery charges. Ben Stevens has not been charged.

The disclosure provides further evidence of the degree to which the investigation of public corruption in the Alaska Legislature has widened to include at least two of the state's three members of Congress. Alaska's sole congressman, U.S. Rep. Don Young, is also under investigation for his ties to Veco.

STEVENS-VECO CONNECTION WAS KNOWN

FBI - Stevens-947

Until now, there has been little hint as to how Veco might have benefited from the close relationship that its CEO had with the elder Stevens, who served for several years as the powerful chairman of the Senate Appropriations Committee. Stevens also had oversight of the National Science Foundation in his senior role on the Senate Commerce Committee.

No evidence has surfaced that Stevens directly steered the contract to Veco, but his aggressive support for increased funding for Arctic research coincided with the company's sudden emergence as a major player in providing logistics for polar scientists. Under the contract, Veco helps transport researchers to remote Arctic regions for more than 150 scientific projects, feeds them, houses

228K501.0th

<http://www.adn.com/news/politics/vecov-printer/story/9225372p-9140312c.html>

194A-AN-13620-M;449

8/16/2007

them and provides equipment and communications during their stays.

Stevens would not comment on any aspect of the investigation and has refused to talk about the FBI raid on his house. A spokesman said that the 83-year-old senator has long had an interest in seeing more money spent on Arctic research.

"Sen. Stevens has long been a supporter of increasing federal funding for Arctic research," said Aaron Saunders, the spokesman. "Alaskans, more than anyone in the nation, are feeling the effects of climate change. In order to understand the causes and impacts of these changes, Sen. Stevens believes that a variety of agencies must help us learn more about the Arctic. As an appropriator and a senior member of the Commerce Committee, it is Sen. Stevens' role to ensure government entities receive the necessary funding to carry out this important work."

As far back as 1994, as a member of the Senate Commerce Committee, Stevens championed putting more Arctic research money into the NSF budget. In 1997, when a government advisory group overseeing Arctic research issued a report detailing disparities in research between the Arctic and Antarctica, Stevens became a standard bearer for the cause.

"I know that Sen. Stevens was very strongly taken with what we had uncovered in the study," said George Newton, a research engineer and former U.S. Navy submarine captain who served for 12 years as chairman of the panel, the Arctic Research Commission. He said Stevens cited the study as a basis for appropriating more money for Arctic research.

Unsolicited, Stevens put \$25 million into the commission's budget without ever explaining why an advisory panel instead of the National Science Foundation would get the money. The funds were later shifted to the NSF.

Newton said that when it came time in 1999 to award a polar logistics contract, it was believed within the NSF and in polar research circles that Veco's relationship to Stevens' son might give the company an advantage.

CAME FROM NOWHERE TO WIN CONTRACT

In Allen's plea, he admitted paying fees to the younger Stevens' consulting firm beginning in 1995 -- six years before he was appointed to the state Senate. From 2002 to 2006 when he was a state senator, Stevens was paid \$243,250 by Veco mainly for "giving advice, lobbying colleagues and taking official acts in matters before the legislature," Allen admitted in court filings. Allen also offered to make Stevens a Veco executive, the filings say.

"The thought was going around, that as the competition was going on within NSF, there was always this talk that Sen. Stevens' son was connected to Veco," Newton said. "A wink of an eye, so to speak, among people who were not involved in the evaluation. It was water cooler conversation."

FBI - Stevens-948

One losing bidder questioned the fairness of Veco's initial award in 1999 and said it should "bear further scrutiny."

Marijane Hancock, who submitted a proposal on behalf of the University of Nebraska's Polar Ice Coring Office in partnership with a Canadian company, said she could not imagine Veco gearing up to submit a competitive proposal within a three-month bidding deadline unless company officials somehow had a head start.

The University of Nebraska project held the polar research logistics and support contract from 1974 to 1989, lost it for five years to the University of Alaska, then won it back for the period from 1994

to 2000, earning \$17 million over the final six years.

Karl Kuivinen, who headed the Nebraska project in the 1990s, said Veco came from nowhere to win the successor contract.

No one knew the contract's value until the agency floated a formal request for bids on April 21, 1999, said Mike Ledbetter, a former Science Foundation technical manager who sat on a panel that reviewed competing bids.

Ledbetter and Hancock said that Veco gained expertise by hiring several former employees of Antarctica Support Associates, a company that performed similar support services on the South Pole.

Hancock, now a University of Nebraska assistant vice president for academic affairs, said she drafted a protest letter when Veco won the contract, but her bosses decided not to send it. Among other things, she complained that Simon Stephenson, the National Science Foundation's contract manager, "had developed long-term personal relationships" with the former Antarctica field workers who were hired by Veco.

ARCTIC OIL FIELD WORK A FACTOR

The NSF declined to make Stephenson or anyone else available for an interview.

Hancock also noted that, when potential bidders were invited to send personnel to Greenland to tour the main site of the research in June 2000, two Antarctica workers missed a sign-up deadline. She said NSF officials then asked her office to escort the two, who Hancock said, "were provided personal, extensive and special access to all aspects of our operation."

"We learned in the middle of December, after the contract was awarded, that the two individuals we accommodated went to work for Veco Rocky Mountain Inc., on their contract," she wrote.

Veco had no previous government logistics contracts of such scope, but the company's work on North Slope oil fields gave it experience operating under harsh Arctic conditions. The entity set up by Veco to manage the NSF logistics contract, Veco Polar Resources, was formed after its parent company landed the work in 1999.

NSF said there had been no major problems with Veco's performance on the contracts.

Since Allen's guilty plea, he has stepped down from Veco. The Colorado engineering firm CH2M Hill is in negotiations to buy Veco for \$463 million.

FBI - Stevens-949

Researcher Tish Wells contributed to this story.

Print Page Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

adn.com

Anchorage Daily News

Print Page

Close Window

Ex-legislator asks for separate trial from co-defendant Kott

CORRUPTION CASE: Attorneys are mum on reasons for the motion.

By LISA DEMER
ldemer@adn.com

(Published: August 17, 2007)

Three weeks before the corruption trial of former state Reps. Bruce Weyhrauch and Pete Kott is set to begin, Weyhrauch wants a judge to split his case from that of his co-defendant.

No one will say why.

The motion and supporting documents were filed under seal, out of public view. It's the same story with much of the legal maneuvering in the case. Lawyers involved say they couldn't talk about the issues even if they wanted to.

"There's a lot going on behind the scenes and it involves evidence that we can't discuss before the trial," said Doug Pope, one of Weyhrauch's attorneys.

The trial is scheduled to begin Sept. 5, though that could change. U.S. District Court Judge John Sedwick has yet to rule on several sealed motions.

The corruption case involves accusations that officials with oil field services contractor Veco Corp. bribed the legislators to help push an oil-production tax favored by the industry through the Legislature in 2006.

Veco's former chief executive, Bill Allen, and vice president, Rick Smith, have pleaded guilty to bribery and conspiracy involving four legislators: Kott, Weyhrauch, indicted former Wasilla Rep. Vic Kohring, and former Senate President Ben Stevens, who was described but not named in court documents. Kohring has an October trial date. Stevens hasn't been charged.

Allen and Smith are now cooperating with the government and are expected to be key witnesses at the trial. They've resigned from Veco.

It appears from the indictment that the FBI used electronic surveillance of Veco's suite in Juneau's Baranof Hotel to collect evidence.

Kott is accused of taking payoffs totaling \$8,993 and the promise of a job from Veco in exchange for doing the company's bidding. Weyhrauch is accused of soliciting legal work from Veco.

Generally, one reason a defendant tries to split off his case is so he won't be tainted by his co-defendant, said Rex Butler, a prominent Anchorage criminal defense attorney not connected with the Kott-Weyhrauch case.

"First of all, one person might be really knee deep in the trouble while the other person is a surface player," Butler said. "The problem is, in a joint trial, if a juror takes one down, they almost always will take both people down."

FBI - Stevens-950

229KS0107n

<http://www.adn.com/news/politics/fbi/weyhrauch/v-printer/story/9228400p-9143121c.html> 8/17/2007

194A-AN-13620-M;450

The specifics of the accusations against Kott and Weyhrauch differ, though they were indicted together May 3 and face similar charges: conspiracy and bribery against both; extortion and wire fraud against Kott; attempted extortion and mail fraud against Weyhrauch.

Kott is described in the indictment as willingly doing Veco's bidding and meeting with Allen and Smith in the Baranof's Suite 604 to plot strategy.

As laid out in the indictment, Weyhrauch's role was smaller. But he is accused of following Kott and Allen's instruction to change his vote on an amendment opposed by the oil industry. He had mistakenly voted the wrong way, the indictment says.

The charging document quotes a conversation between Kott and Allen in Suite 604 after the amendment was defeated on May 7, 2006:

Kott: "I had to get 'er done. So, I had to come back and face this man right here," pointing to Allen. "I had to cheat, steal, beg, borrow and lie."

Allen: "I own your ass."

Co-defendants may want to point the finger at each other, but that can backfire in a joint trial, Butler said.

"Both parties will end up convicting each other," he said.

Defense lawyers also may end up stepping on each other's toes. And there can be problems with evidence when one defendant has made incriminating statements against the other, Butler said.

Plus, defense lawyers like looking like the little guy up against the government with all of its power and resources, Butler said. The image doesn't carry as well with a table full of defense lawyers.

Jim Wendt, who represents Kott, said he probably won't oppose the motion to sever the cases, but he won't join in, either.

As to Kott's defense, "You'll have to wait and see, but our defense is basically that our guy is not guilty," Wendt said.

Weyhrauch attorney Pope said that his client is innocent and never sold his votes.

Prosecutor Jim Goeke declined to comment on the upcoming trial or the maneuvering.

Jury selection is scheduled to begin Sept. 5 with a bigger-than-normal pool of 120 potential jurors from Southcentral Alaska and beyond. Judge Sedwick has ordered that potential jurors be pre-screened with a questionnaire. It asks whether they know the defendants, lawyers or key witnesses; what they've read, seen or heard about the case; and whether they already have opinions about Kott and Weyhrauch.

Kott is a former House Speaker from Eagle River first elected in 1992 and defeated in the 2006 Republican primary. He now lives in Juneau. Weyhrauch is a Juneau attorney who served two terms and didn't run again in 2006.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-952

adn.com

Anchorage Daily News

Print Page

Close Window

Legislators' corruption trials may be paired**TWO LAWMAKERS, ONE TRIAL: Judge's recommendation comes with hearings set to start Sept. 5.**By LISA DEMER
ldemer@adn.com*(Published: August 28, 2007)*

With their public corruption trial just over a week away, former state Reps. Pete Kott and Bruce Weyhrauch are maneuvering to throw out big chunks of the prosecution case.

Wiretap evidence. Secret video recordings. Statements by "unindicted co-conspirators," as the prosecution calls them.

Kott's and Weyhrauch's defense lawyers are filing court pleadings at a furious rate as the Sept. 5 trial date nears. Prosecutors, meanwhile, say at least part of the legal battle is too late.

On Monday, a magistrate judge issued a recommendation that the two former lawmakers be tried together.

Weyhrauch was trying to split his case apart from Kott's. His reasons weren't stated publicly because the argument, like many in the case, was filed "under seal." But in his 12-page recommendation Monday, Magistrate Judge John D. Roberts shed some light on the issues raised by Weyhrauch:

- Worries about a spillover effect, if the government has more evidence against Kott. Frequently, that's the situation with co-defendants, Roberts wrote.

"The argument that Weyhrauch never became intoxicated, used foul language or was given a hat with the letters "CBC" (corrupt bastard's club) may serve to distinguish him from the actions of his co-defendant in the jury's assessment of the case," Roberts said. Jurors should be able to separate the evidence against each, and the judge may give special instructions along those lines, he said.

- If the two men are tried together, Weyhrauch's defense lawyer believes the prosecution may try to prove there were multiple conspiracies, but Weyhrauch is accused of participating in only one.

Weyhrauch and Kott were indicted on a charge of conspiring with two Veco Co. executives, Bill Allen and Rick Smith, and others on the rate for a new state oil tax. Both Allen and Smith have since resigned. Veco is an oil field services company.

If evidence of multiple conspiracies is proven at trial, that could be harmful to Weyhrauch and make a conviction "vulnerable to attack on appeal," Roberts acknowledged. But until the trial happens, it's impossible to know whether that will be the case, he said in his recommendation.

U.S. District Court Judge John Sedwick ultimately will decide the issues.

Doug Pope, one of Weyhrauch's lawyers, said that despite Roberts' recommendation, his client's case still could be split apart from Kott's -- after the trial begins and evidence is admitted. That's

FBI - Stevens-953

240K501.0th
<http://www.adn.com/news/politics/fbi/v-printer/story/9258631p-9172777c.html>194A-AN-13620-M:451
8/28/2007

usually how such matters play out, he said.

The deadline for motions was July 24. That's the same day prosecutors turned over to the defense 1,601 pages of materials used to support their search warrant application. There simply wasn't enough time to handle that volume of documents, Kott's lawyer, Jim Wendt, wrote in a court filing.

Judges can allow defense lawyers to make new arguments, even at this late date.

The reason the prosecution didn't provide the documents sooner? It's "because the materials disclose multiple ongoing, non-public investigations," according to a filing by prosecutors.

The details of the search warrant documents remain largely hidden from the public -- "under seal," to use the court term. Both sides have filed documents that way. Prosecutors said in one court document that they didn't want information about other suspects or investigations to become public.

Roberts ordered on Friday that no more documents in the case be filed under seal unless the lawyers first get permission from a judge. The order surprised the defense lawyers.

"He came in like a cowboy out of left field on that," Pope said.

Calls to prosecutors weren't returned Friday or Monday.

Weyhrauch, a Republican from Juneau, did not run in 2006. Kott, a former Republican House Speaker from Eagle River, was defeated in the 2006 primary and now lives in Juneau.

Find Lisa Demer online at adn.com/contact/lidemer or call 257-4390.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-954

adn.com

Anchorage Daily News

Print Page

Close Window

Ben Stevens ID'd as Senator A**COURT FILINGS: Ex-legislator had only been named in news reports.**By LISA DEMER
ldemer@adn.com*(Published: August 30, 2007)*

In a court ruling this week, a federal judge identified former state Senate President Ben Stevens as an alleged co-conspirator in a bribery scheme involving legislators and oil field services contractor Veco Corp.

Though news reports named him months ago, it was the first time Stevens has been so named in a court document.

The development was just one of the intriguing pieces of information popping up in court filings as the public corruption trial of former Reps. Pete Kott and Bruce Weyhrauch approaches. It's set to begin Sept. 5.

"The evidence which the United States will present at trial will show that state Senator A is, in fact, Ben Stevens," U.S. District Judge John Sedwick wrote.

The indictment against Kott and Weyhrauch says Senator A conspired with them and two Veco executives to benefit the company.

In particular, the document describes a June 5, 2006, telephone conversation between the senator and former Veco chief executive Bill Allen. In the phone call, the two agreed that Weyhrauch came to support oil tax legislation favored by Veco because Allen had promised him legal work for the company. Weyhrauch is a lawyer.

Stevens worked as a Veco consultant for years, making \$243,250 from 2002 through 2006 while he was a state senator.

John Wolfe, a Seattle lawyer who represents Stevens, said he was disappointed the judge named Stevens publicly without giving his client a chance to object. Stevens hasn't been charged in the ongoing corruption investigations.

"We're concerned about the impact that this will have on Mr. Stevens' ability to get a fair trial" -- should he be indicted, Wolfe said. FBI - Stevens-955

At any rate, Stevens maintains he's done nothing wrong, Wolfe said.

In other developments:

- Prosecutors won't be able to tell jurors that Weyhrauch allegedly cheated on his legislative per diem allowance. They wanted to include such evidence as "prior bad acts."

Sedwick ruled Tuesday that even if Weyhrauch was chiseling on his per diem claims, that's a lot different than being accused of selling his legislative office. But it's just the kind of behavior that

outrages voters. Jurors may unfairly leap to the conclusion that a legislator who cheated on his legislative allowance is guilty of everything else, too, the judge said.

- Efforts by Kott's lawyer to dismiss various charges were struck down by Sedwick. Attorney Jim Wendt attempted to file legal pleadings past the deadline, but the judge said no. Even if the pleadings were on time, they lacked merit, he ruled.

Meanwhile, some trial issues will be sorted out at a hearing this morning before Sedwick.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-956

adn.com

Anchorage Daily News

Print Page

Close Window

Kohring claims his detention was illegal

FBI RAID: He says he was not read his rights during questioning.

By LISA DEMER
ldemer@adn.com

(Published: August 30, 2007)

Former state Rep. Vic Kohring claims that when FBI agents raided his legislative office a year ago, they illegally detained him and forced him to submit to hours of interrogation without ever reading him his rights.

Kohring was indicted on bribery, extortion and conspiracy charges in May. He is accused of selling his office to oil field services contractor Veco Corp. and resigned his Wasilla House seat in June. Trial is set for Oct. 22.

His lawyer, John Henry Browne of Seattle, is trying to suppress evidence seized in and statements made by Kohring during the Aug. 31, 2006, search.

New court filings told from Kohring's point of view are full of drama:

Around 11 a.m. that day, FBI agent Alan Vanderploeg called Kohring on his cell. He was with a friend, headed to Palmer to check out a pickup for use in his House race. The agent insisted they meet right away at Kohring's Wasilla office.

"Five armed FBI agents, who were already waiting there, created a quite intimidating scene," when Kohring arrived.

The agents said they had a warrant to search his office, but never produced it, according to Kohring's story. Instead, the court papers say, they pressured him to consent to a search so no warrant was needed and threatened to tell the media if he refused.

The FBI advised Kohring to send his aide home, which he says in a statement he later regretted.

"Then, while Kohring was isolated and segregated, the agents finally revealed that he was not only a witness, but also a suspect as well, and displayed a thick file folder with his name on it ostensibly containing incriminating information, though the agents never displayed its contents," says one of the court filings.

FBI - Stevens-957

The FBI investigation dated to 2003, his lawyer wrote.

The agents told Kohring he wasn't under arrest, but made it clear he wasn't free to leave, Kohring claimed in his statement. In fact, they locked the front door to his office and wouldn't let him go to the bathroom or get a drink of water, his lawyer contends.

The totality of circumstances -- including a "police-dominated atmosphere" -- shows that he was in custody, yet he was never read his Miranda rights, Browne argued. No reasonable person would have felt free to leave, one of the motions says.

Kohring was able to phone a friend and attorney, Robert Hall. He contends the FBI pressured him to hang up before getting any useful advice.

Hall was so worried, he rushed to Kohring's office but the FBI wouldn't let him in, Hall says in a court filing.

"The agents persisted in searching and questioning in excess of two hours, during which Kohring was isolated in his locked offices while his friend and personal attorney sat in the hallway, barred from entry," one of the motions says.

Near the end of the interview, after agents told Kohring he was a suspect, "they threatened him with 20 years in prison if he did not answer incriminating questions in regards to his association with VECO corporation," Browne wrote. They termed it "the Martha Stewart question." The homemaking diva went to prison for lying to investigators.

The search ended after 2 p.m., according to Kohring.

Prosecutors and the FBI dispute Kohring's claims, said Joe Bottini, an assistant U.S. attorney. They will file their detailed response in court, he said.

Kohring himself told a different story the day of the search.

"I fully cooperated and answered all their questions," Kohring said in a written statement back in August 2006. "I was told that I am not a target of the investigation and was asked not to discuss details of the interview."

Kohring wants the judge to move the trial to Washington state because of all the publicity in Alaska. His trial could take place around the same time as a special session set to revisit the state's new oil tax. Gov. Sarah Palin called the session because she said the bribery cases taint the tax legislation passed in 2006.

Two other former representatives, Pete Kott and Bruce Weyhrauch, go to trial just before Kohring. Former Veco Corp. executives Bill Allen and Rick Smith are expected to be key witnesses. They already have pleaded guilty to bribery and conspiracy.

Browne also wants the government to reveal all promises made to Allen and Smith for their cooperation, as well as to two witnesses who testified earlier this summer against former Rep. Tom Anderson, who was convicted of bribery and other charges.

A hearing on the requests to suppress evidence is scheduled for Sept. 17.

FBI - Stevens-958

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

adn.com

Anchorage Daily News

Print Page

Close Window

Kott, Weyhrauch outline their corruption case defenses

TRIAL: They are accused of bribery, fraud and conspiracy.

By RICHARD MAUER

rmauer@adn.com

(Published: August 31, 2007)

The government has misinterpreted innocent behavior as a corrupt conspiracy involving officials of the oil field service company Veco, two former legislators about to go to trial say in recent court filings.

Former House speaker Pete Kott, R-Eagle River, and former Rep. Bruce Weyhrauch, R-Juneau, say they expect to show during their trial, set to start next week, that they did nothing wrong in taking money from or discussing future employment with Veco head Bill Allen and one of his vice presidents, Rick Smith.

The co-defendants gave outlines of their cases in briefs filed this week in U.S. District Court in Anchorage. The men go on trial for bribery, fraud and conspiracy on Wednesday, the second trial in the four-year federal investigation of political corruption in Alaska. In the first one last month, an Anchorage jury found former Rep. Tom Anderson, R-Anchorage, guilty of all seven counts he faced.

Though only sketches, the trial briefs give the first indications of the cases that Kott and Weyhrauch hope to make. They were filed in advance of a pretrial hearing Thursday, in which housekeeping and some jury matters were resolved by U.S. District Judge John Sedwick.

Sedwick dismissed three dozen potential jurors even before they were required to appear in his courtroom in the Anchorage federal building on C Street. Making his decision after reading their responses to a written questionnaire, Sedwick ruled that 36 of 120 potential jurors appeared to be incapable of rendering a fair verdict or would have found it too great a hardship to attend daily court sessions from 9 a.m. to 4:30 p.m.

By contrast, state court jurors typically serve a workday that ends in early afternoon, enabling them to attend to at least some of their routine daytime activities.

The lawyers estimated the trial would run for at least three weeks. That would be long enough to interfere with medical procedures planned by at least two jurors, while one college student would've been set too far back in his classes, Sedwick said. About 24 potential jurors said they had already made up their minds, had biases against politicians or were close to participants in the case, making them ineligible.

None of the jurors was identified by name, only by number and sometimes by gender. In a few cases, Sedwick and the lawyers chuckled over questionnaire responses, but the jokes weren't shared with the rest of the courtroom.

The remaining 84 jurors will be summoned to the courtroom next week, where they will be individually questioned about their backgrounds and what they think they know of the facts in the case. Despite all the publicity surrounding the federal investigation, Sedwick said he expects there to be enough unbiased -- and perhaps uninformed -- members of the jury pool to seat 12 jurors

FBI - Stevens-959

and at least two alternates.

In its indictment, the government says that Kott and Weyhrauch were in a pay-for-votes scheme with Allen and Smith, selling their positions on oil tax and gas pipeline legislation in 2006 for cash and jobs or the promise of future work.

But the defendants say that's false. Both assert they were pro-development legislators who didn't need to be bribed to vote in favor of the oil industry.

"Mr. Kott's intent was always to support legislation that he thought was in the best interests of the State of Alaska and in support of the almost universally agreed goal of getting a gas pipeline for the people of the state," Kott's attorney said in his trial memorandum.

Weyhrauch likewise said the evidence would show that he "had a long-standing commitment to sensible development of Alaska's resources."

One evidence of a bribe to Kott, the government asserted in the indictment, was a payment by Veco of a "fraudulently inflated" invoice of \$7,993 to Kott's flooring company in August 2006.

Kott says nothing was wrong about that payment.

"Defendant Kott will present evidence at trial that \$7,993 of the monetary payments received was not for his acts as a public official but for his work installing and repairing hardwood flooring for Bill Allen, a task he has performed for many politicians, business people and citizens," he said. He acknowledged in his filing that the work was never completed, but excused that failure "because this case has prevented Mr. Kott from completing the work."

Weyhrauch, in his memorandum, indicated that the plea agreements signed by Allen and Smith would be fodder in his case. The agreements, in which Allen and Smith hope to reduce their jail time by cooperating with the government, gives the two ex-Veco officials incentives "to provide helpful, even if fabricated or exaggerated, testimony to assist the government in their pursuit of Mr. Weyhrauch and others."

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

Print Page

Close Window

adn.com

Anchorage Daily News

Print Page

Close Window

Prosecutors direct new allegations against Kott

UNLAWFUL GIFTS: Prosecutors say Kott started accepting benefits from Veco officials in 1999.

By RICHARD MAUER
rmauer@adn.com

(Published: September 4, 2007)

As federal prosecutors prepare to begin their case this week against two former state legislators, they have unveiled new allegations that one, Rep. Pete Kott, had been taking unlawful gifts and benefits from Veco officials since 1999.

Kott, a former House speaker who ran a flooring business on the side, stored equipment from 1999 to 2006 at a warehouse owned by the oil-field service company, the government said in a recently unsealed motion. The government also alleged that Kott received \$12,000 in equipment from Veco or its former chairman, Bill Allen, in 2002, and that Allen gave him \$5,000 in 2004. The next year, Kott took possession of tools and other items that Veco bought in a charity auction, prosecutors said.



Former Eagle River lawmaker Pete Kott is led out of court following his arraignment in Juneau last spring.

Kott and Bruce Weyhrauch of Juneau have pleaded not guilty to federal charges. (CHRIS MILLER / The Associated Press)

Those alleged actions were in addition to conduct charged in the seven-count indictment returned by a federal grand jury in Anchorage in May against Kott, an Eagle River Republican, and former Rep. Bruce Weyhrauch, a Juneau Republican. Most of the alleged illegal activity in the indictment took place between September 2005 and August 2006.

Both men have pleaded not guilty to bribery, extortion, fraud and conspiracy. Their trial begins Wednesday in Anchorage before U.S. District Judge John Sedwick.

In the days leading up to the trial, the two defendants have also been firing back at the government, challenging some of the legal theories of the prosecutors. They are disputing the government's assertions that the two men had a duty to disclose they were seeking work from Veco or Bill Allen at the same time they were voting on issues affecting Veco.

Kott also asked the judge to prevent the government from bringing up alleged prior "bad acts" that weren't specifically charged in the indictment.

Allen and former Veco vice president Rick Smith are expected to be key government witnesses. They have pleaded guilty to bribing legislators and hope to get their sentences reduced by cooperating with the authorities.

In disclosing that they intended to bring up Kott's earlier conduct to the jury, government prosecutors said they expected Allen and Smith to testify "to the general scheme to provide Kott with things of value in exchange for securing Kott's agreement to take officials acts to benefit Allen, Smith and Veco."

In one instance, Kott's attorneys said in a court filing last week that Kott was only joking when he

FBI - Stevens-961

247K501.04h
<http://www.adn.com/news/alaska/v-printer/story/9276429p-9191272c.html>

9/4/2007

194A-AN-13620-M:455

asked Veco for help in getting him a job at a prison the company was building in Barbados.

"These Barbados comments are made in jest, and that intent is clear from the context of the conversations, which involved drinking and joking," they said.

And Kott's talk of working as a lobbyist for Veco -- a discussion he held while still in office -- were "off-hand, brief, and are absolutely devoid of any details or even specific requests to be Veco's lobbyist or a specific promise to be hired as Veco's lobbyist," his lawyers said.

Weyhrauch, a lawyer, is accused of selling his votes for a 2006 oil-industry tax bill in return for a promise of legal work after the regular legislative session. The government said Weyhrauch should have disclosed his negotiations for work with Allen and Smith.

But Weyhrauch's attorneys said he had no duty to disclose under state law or House rules.

Kott's lawyers said as much and asserted that it's the normal House practice to require members to vote even if they have a conflict of interest. That negates the need for disclosure, they said.

Government lawyers said that position is nonsense.

"Each member of the Alaska State Legislature has an inherent duty to the public of the State of Alaska to conduct their dealings free of conflicts of interest," prosecutors said in a memorandum filed Saturday. "The existence of this duty is intrinsic to a public official's obligation to conduct his or her affairs free of improper influences." State law requires legislators to not only avoid conflicts of interest, but even the appearance of a conflict, they wrote.

Weyhrauch appeared to understand that duty, the prosecutors said, because he disclosed other conflicts even if he failed to disclose his job solicitation from Veco.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-962

adn.com

Anchorage Daily News

Print Page

Close Window

Released Anderson sting tapes unveil the federal case

'YOU WANT VOTES': Lawmaker knew lobbyist sought more than newsletter.

By LISA DEMER
ldemer@adn.com

(Published: September 4, 2007)

More than a month after former state Rep. Tom Anderson was found guilty of bribery and other corruption charges, the prosecution has released the secretly recorded conversations used to convict him.

A federal jury convicted Anderson, an Anchorage Republican, on July 9 of bribery, extortion, money laundering and conspiracy. Several jurors said afterward that Anderson's own words were the strongest evidence against him.

The Daily News and KTUU Channel 2 sought copies of the recordings and other exhibits during the trial but didn't get them at that time. The news organizations then went to court. Negotiations began with prosecutors. The records were released Aug. 23.

The recordings were made by the FBI. A government witness, former Cornell Cos. consultant Frank Prewitt, wore a wire. The recordings, along with witness testimony, gave jurors a picture of a scheme in which Anderson took bribes to do Cornell's bidding. The plan was for a Cornell Cos. lobbyist, Bill Bobrick, to create a sham political newsletter or Web site that would be used to funnel money to Anderson.

Anderson's sentencing is scheduled for Oct. 2.

Here's a quick guide to some of the key conversations:

July 21, 2004

Audio recording. Bobrick and Prewitt meet at Southside Bistro in Anchorage to discuss how to get money to Anderson. In exchange, Anderson would "be our boy in Juneau," Bobrick tells Prewitt.

July 28, 2004

Video of meeting at the Whale's Tale in the Hotel Captain Cook between Anderson, Prewitt and Bobrick. Anderson's hands are in view. When asked about his credentials to do work for Cornell, the first thing he mentions is that he is a legislator. Jurors asked for the recording to be replayed during their deliberations.

Nov. 16, 2004

Video recording of meeting between Anderson and Prewitt in Anderson's legislative office in Anchorage. Anderson acknowledges to Prewitt that he knows Cornell really isn't interested in a political newsletter. "You want votes in the Legislature, I would assume," Anderson says. He also says he doesn't want to split the next payment with Bobrick. They discuss Anderson testifying the next day at a public hearing on a juvenile treatment center that Cornell needed state

FBI - Stevens-963

247X302.07m
<http://www.adn.com/news/politics/fbi/anderson/v-printer/story/9276468p-9191263c.html>

9/4/2007

194A-AN-13620-m:456

approval to open.

Dec. 21, 2004

Video recording of meeting between Anderson and Prewitt at the Whale's Tale. Prewitt brings two checks, one made out to Anderson's consulting firm directly. "That is perfect," Anderson says.

Feb. 16, 2005

Video recording of a dinner at the Baranof Hotel in Juneau that includes Prewitt, Anderson and then-state Rep. Lesil McGuire. At the time, McGuire and Anderson were dating. They since have married, and McGuire has been elected to the state Senate. McGuire tells Prewitt, "Don't forget, I'm going to stay right up on you boys" to make sure Cornell offers rehabilitation. At one point, McGuire is distracted by a side conversation. Anderson takes the opportunity to tell Prewitt that McGuire doesn't know about his relationship with Cornell.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-964

adn.com

Anchorage Daily News

Print Page

Close Window

Kott wants a lid put on mixup over medication given to him**TRANSCRIPT: Judge makes the exchange with lobbyist public.**

By RICHARD MAUER

rmauer@adn.com

(Published: September 5, 2007)

Former Alaska House Speaker Pete Kott is asking the judge in his political corruption case to prevent the jury from hearing evidence that ex-Veco chief executive Bill Allen supplied him with pills -- and that the results were not exactly as planned.

According to a transcript of an intercepted telephone call between Allen and Kott on May 31, 2006, Allen gave Kott pills for sleeping and for sex. Kott got them mixed up and complained he was up all night while his "old lady" slept beside him.

The remarkable transcript was prepared by the FBI and filed in court by Kott's attorneys to show U.S. District Judge John Sedwick what they didn't want the jury to see. The document was filed under seal Tuesday by Kott's attorneys, but quickly placed in the public file by Sedwick, who ruled there was no reason to keep it secret.



Kott ()

"Man, I've been having a hard time sleeping," Kott complained to Allen.

"So that worked pretty good," Allen said, laughing.

"Which ones are which?" said Kott.

"Goddamn it, I told you now, just use the white ones ... to sleep," Allen reminded him. "And the the goddamn, ah, brown or whatever they are, that's for (explicit language for sex), and the other one is for sleeping."

"Yeah, I thought I was taking the sleeping pill. Took the wrong one. Still got the white one," Kott said.

"You're something else," Allen said, laughing. "You're something else, Pete."

FBI - Stevens-965

Jury selection in the bribery, extortion, fraud and conspiracy trial of Kott and codefendant Bruce Weyhrauch, a former state representative from Juneau, is scheduled to begin today.

But on Tuesday, after Sedwick handed the defendants two victories on other requests to exclude evidence, federal prosecutors said they may seek a rehearing or an appeal, which could put the case in limbo. They will make their argument during a conference at 8 this morning, before prospective jurors begin filing into the courtroom.

Sedwick ruled Tuesday that the government could not claim that Kott and Weyhrauch were required to disclose to fellow legislators or the public that both were seeking employment from

Veco while they were voting on bills in which Veco had an interest. Alaska law has no such disclosure requirement, he said, though he also noted state law forbids legislators from voting when they face certain kinds of conflicts of interest.

Sedwick also threw out a request by federal prosecutors to bring in evidence of bad conduct by Kott as far back as 1999, when he began storing material at a Veco warehouse for his flooring business. The government also said Kott improperly received \$12,000 in equipment from Bill Allen or Veco in 2002, a \$5,000 payment in 2004, and a \$1,000 payment made by Veco in 2003 to a Florida beauty pageant corporation to benefit one of Kott's relatives, as requested by Kott. The Eagle River Republican was speaker of the House in 2003 and 2004.

Sedwick said those allegations happened too far in the past to be relevant to the charges, which "mainly focused on legislative activities which took place in 2006."

One of Weyhrauch's attorneys, Doug Pope, said the rulings were significant victories for the defense. But the government may seek to overturn Sedwick's ruling on disclosure, it said in a filing Tuesday.

Bill Allen and former Veco vice president Rick Smith are expected to be key government witnesses. Both have pleaded guilty to bribing legislators and are cooperating with the government.

The evidence of Allen's pill dispensing to Kott was recorded on a wiretap of Allen's cell phone while the Legislature was in special session over oil taxes. Kott's lawyers say the conversation, and another between Kott and Smith about the "Corrupt Bastards Club," would be prejudicial.

"The use of sleeping pills and sexual enhancement pills will undoubtedly negatively impact the jury's opinion of Kott, particularly if he was taking those pills without a proper prescription," his attorneys argued. "It creates an impression of general law-breaking behavior. The evidence could also be used to suggest Kott is a person who pops pills, which is a very negative attack on character."

They go on to say: "The part of the conversation relating to accidentally taking the sexual enhancement pills is quite lewd. The tone and content of these conversations will likely impact the jury's opinion in a very negative way."

Three pages of Kott's May 29, 2006, conversation with Smith, also on a tapped cell phone, concern Kott's efforts to obtain 20 Veco hats embroidered or printed with "CBC." The letters refer to the Corrupt Bastards Club, an informal group of legislators who received large contributions or employment from Veco.

"Hey. How many of them hats you want CBC on the back?" Kott asked Smith.

After trying to figure out what Kott was talking about, it finally clicked, and Smith said 15 or 20. FBI - Stevens-966

"We gotta figure out who the club is," Smith said.

"Yeah," said Kott.

"Gotta get with Hawker," he said, referring to Rep. Mike Hawker, R-Anchorage.

"Yeah, I know," said Kott. "Yeah, the 20 might be a lot."

"Well, I mean, but then, you know, we need some for Bill (Allen) and, you know, and s--- like

that," Smith said.

Hawker said Tuesday he had no idea why Smith was referring to him, but he knew about the "club."

"There was nothing nefarious involved," Hawker said. He was among a group of legislators, including Kott, and others who were joking one night in the bar at the Baranof Hotel in Juneau. A newspaper column had questioned whether campaign contributions from Veco to lawmakers created undue influence over the state's political process.

The joke was they were all part of some kind of "corrupt bastards club," Hawker said, and part of the joke was some of them were writing an increase in state oil taxes.

"At the time it was just gallows humor at best," Hawker said.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345. Reporter Sean Cockerham contributed to this story.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-967

adn.com

Anchorage Daily News

Print Page

Close Window

Legislators' corruption trials split for appeal Kott's hearing continues, but Weyhrauch's stalls on federal appeal

By RICHARD MAUER and LISA DEMER
Anchorage Daily News

(Published: September 6, 2007)

A federal judge Wednesday ordered separate trials for two former Republican legislators to allow jury selection for one to move forward while the government appeals an earlier ruling favoring the other.

The decision on the one-time co-defendants means the bribery, extortion, fraud and conspiracy case against Pete Kott, the former House speaker, will go ahead with opening arguments scheduled for Monday. Jury selection started at midmorning Wednesday and will continue today.

But the trial of Bruce Weyhrauch, a former representative from Juneau, will await the outcome of the government's bid to the 9th U.S. Circuit Court of Appeals in San Francisco, and perhaps longer. Weyhrauch's attorney, Doug Pope, said he'd try to take the case to the U.S. Supreme Court if the 9th Circuit reverses the decision in Anchorage.

U.S. District Judge John Sedwick made his ruling on separating the trials in a hastily called hearing that began at 8 a.m. Wednesday, just before jury selection was to begin. With more than 80 potential jurors from around Southcentral Alaska cloistered in a meeting room across the lobby and down a hall, Nicholas Marsh, a trial attorney from the Justice Department's Public Integrity Section, told Sedwick that his superiors in Washington agreed that an appeal of an earlier ruling was justified.

They are challenging a ruling by Sedwick on Tuesday that said the government couldn't present evidence that Weyhrauch and Kott were duty-bound to report they were seeking employment with Veco, the politically active oil-field service company, in 2006, when they were voting on oil-tax legislation heavily lobbied by Veco's chair, Bill Allen. Sedwick held that state law had no such requirement.

In the Wednesday morning hearing, Marsh told Sedwick the government still had ample evidence against Kott and was prepared to go to trial. But for Weyhrauch, a lawyer who never landed the Veco job, the evidence is crucial, Marsh said.

At issue is whether Weyhrauch used mail fraud to cheat Alaskans of honest services as a state

FBI - Stevens-968



Former Rep. Pete Kott, center, flanked by attorneys, leaves the coffee shop in the Federal Building and U.S. Courthouse in Anchorage during a pause in his corruption trial Sept. 5, 2007. The bribery, extortion, fraud and conspiracy case against Kott, the former House speaker, will go ahead with opening arguments scheduled now for Sept. 10, 2007. (BILL ROTH / Anchorage Daily News)



Former Rep. Bruce Weyhrauch was accompanied by his wife, LuAnn, in the Federal Building and U.S. Courthouse in Anchorage Aug. 5, 2007. His lawyer said Weyhrauch's day in court may be delayed for more than a year by the appeal. (BILL ROTH / Anchorage Daily News)

legislator. Pope said Weyhrauch did nothing wrong in sending a personal advertisement for legal services to Veco.

With the trial set to begin, expenses for lawyers and the court adding up, and potential jurors cooling their heels, Marsh proposed that Sedwick revisit a request made in August by Weyhrauch's attorneys to split the trial. At the time, Pope argued that the stronger evidence against Kott could prejudice the jury against his client. The government opposed the motion then, and the judge kept the defendants together.

But now, Pope told Sedwick, the situation has changed. He was fully prepared to go to trial. It would be an undue financial and emotional burden on Weyhrauch and his family to delay any longer. He argued the government's points of appeal were thin and unlikely to succeed.

But Sedwick said federal appeals courts around the country were split on the disclosure issue, while the all-important 9th Circuit, governing courts in Alaska, "hasn't spoken." Sedwick said he followed a line of reasoning adopted by the 5th Circuit in New Orleans.

Jim Wendt, Kott's attorney, opposed the split, mainly because he had prepared a case theory and line of questioning for witnesses based on having a co-defendant. The government agreed to delay opening arguments until Monday, and promised to tell him by Friday whether Allen and former Veco vice president Rick Smith would be called to testify and to reveal the approximate place in the trial they would take the stand.

Following a 90-minute recess to review the law and rulings in related cases, Sedwick called the parties back to his courtroom and announced he would split up the co-defendants so the government could pursue the appeal. He said the government clearly had that right.

After packing up boxes of documents on a cart and clearing the courthouse, Pope stopped to talk with reporters and expressed outrage at the government. He said prosecutors realized late in the pretrial phase that their case was weak and responded by inventing a new case theory that relied on an improper application of federal law.

He said Weyhrauch's day in court may be delayed for more than a year by the appeal.

Marsh said it would be inappropriate to comment on Pope's out-of-court criticism.

Back in the courtroom, potential jurors began filing in to be questioned about their knowledge of the now-smaller case. The lawyers on both sides introduced themselves, and so did Kott, who represented Eagle River in the House.

"I'm Pete Kott, and I'm the defendant in the case," he said, smiling at the packed room of jurors.

Most of those with strong opinions already had been weeded out through written questionnaires. FBI - Stevens-369

Sedwick, and sometimes the lawyers, asked detailed questions of about half those remaining on Wednesday to determine whether any were too biased to be fair jurors or had other reasons not to serve.

One had just landed her first full-time job in a year, so she was allowed to go home. A couple of people had medical issues. One is leaving Alaska this month. Another is married to a former contract manager at BP and socialized with Allen. All left the courtroom.

Some were close calls. One man told the judge he thought he could be fair "for the most part."

When Sedwick pressed him, he said part of him struggled with the politics of oil in Alaska. The judge sent him home.

While a number of the prospective jurors had a general idea that the matter before them was a bribery case, some said they didn't pay attention to politics. Others followed the political corruption cases closely. Some told the judge they were most interested in trouble faced by U.S. Sen. Ted Stevens and his son, former state Senate President Ben Stevens. Neither has been charged with a crime, but Ben Stevens is accused of being part of a conspiracy that included Kott, Weyhrauch, Allen and Smith.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-970

adn.com

Anchorage Daily News

Print Page

Close Window

Bribery trial features Kott's telephone calls

By LISA DEMER
ldemer@adn.com

(Published: September 11, 2007)

In a series of secretly recorded telephone calls, former state Rep. Pete Kott joked with Veco executives about drinking and women, but assured them he was serious about one thing: getting a gas pipeline.

"I'm going to get this f-----g gas line done so I can get out of here," Kott told former Veco chief executive Bill Allen in a Jan. 10, 2006, cell phone conversation.

Testimony began Monday in Kott's public corruption trial.

Jurors heard recordings of nine telephone calls and watched one videotaped meeting between Allen and former Veco vice president Rick Smith.

In his opening statement, prosecutor Nicholas Marsh told jurors that Kott betrayed the public trust and sold his legislative office to oil field services company Veco. In return for money and job promises, he pushed an oil tax favored by the industry.

Kott even says on one of the tapes, "I sold my soul to the devil," Marsh said.

Kott's own words will be used against him, Marsh said. It's the same tactic prosecutors used to convict former Rep. Tom Anderson in July of seven federal corruption charges.

But the defense told jurors the government twisted the facts. Kott was just a blue collar Republican working hard to get what most Alaskans wanted, a gas pipeline, said Jim Wendt, one of Kott's defense lawyers.

There's nothing illegal about working with lobbyists or others toward a shared goal, and that's all Kott was doing, Wendt said. "If he is guilty of anything, he is guilty of working to get a pipeline."

Marsh warned jurors they would hear "downright offensive" language. But Wendt said it was just "down-to-earth talk."

An FBI agent from Cincinnati, Steve Dunphy, who monitored and recorded some of the action in Suite 604 of Juneau's Baranof hotel, testified all afternoon about various recordings. Dunphy said he volunteered after a request for help with the Alaska investigation went out agencywide.

The listening began with a wiretap on Smith's cell phone in September 2005 and branched out from there to wiretaps on Allen's cell and home phones, and then the bug planted in the Baranof

FBI - Stevens-971



Former House Speaker Pete Kott arrives at the Federal Building and U.S. Courthouse on Sept. 10, 2007, with daughter Pamela Kott on the first day of his trial for bribery, extortion, fraud and conspiracy. (BILL ROTH / Anchorage Daily News)

suite, Dunphy testified.

In various phone calls played for the jury, Kott's familiarity with Allen and Smith is remarkable. He calls them Uncle Bill and Uncle Rick. He sounds tipsy at times. Several times, Kott brings up the idea of working as warden at a prison in Barbados that Veco was building.

"I just wanna be a warden," Kott tells Smith in a Sept. 29, 2005, telephone call.

Wendt told jurors in his opening statement that the Barbados prison gig was a running joke with Kott, that he had heard about topless women on beaches there. But Marsh told jurors that even if Kott was kidding about the warden's post, he clearly wanted a job with Veco when his work in the Legislature was done.

As the 2006 legislative session got under way, Kott fretted to Allen on the phone that things weren't going well and Allen needed to get to Juneau.

Allen made it clear that he thought little of House Speaker John Harris, who won the post in 2005 after Kott was ousted in an internal coup.

"About the only ones that I can trust is you and ol' Ben Stevens," Allen tells Kott in a Jan. 10, 2006 call. Stevens is the former state Senate president. He hasn't been charged.

In one lengthy call between Allen and Smith on Feb. 20, 2006, Allen goes on a tirade about Veco's new young lobbyist, Kris Knauss. Allen was angry that Knauss was using Allen's own well-cultivated influence with Kott as if it were his own, turning it to his advantage with Gov. Frank Murkowski's chief of staff, Jim Clark.

"Well f---. I put more money into Pete Kott than he's ever even thought about," Allen sputtered at one point.

In a March 4, 2006, videotaped conversation in Suite 604, Allen and Smith said they would do whatever they needed to get the pipeline and an oil tax favored by the industry through the Legislature. Smith said they may need to "get dirty."

The room is dimly lit and it's hard to make out their faces. But their voices are clear.

"They got dirty and they crossed the line," Marsh told jurors.

Later in the conversation -- in a part not played in court but discussed by lawyers and the judge -- the topic turned to a faltering effort at the time to sell Veco to an Australian firm. Allen was upset because former Veco president Pete Leathard had apparently boasted to the Australians that Veco was in the business of bribing state legislators.

U.S. District Judge John Sedwick agreed with prosecutors that only a portion of the conversation needed to be played for jurors.

In the same conversation, Allen told Smith that Veco's clients need to know what it's doing in Juneau to pressure legislators. He refers to "the big wheels" with BP and Exxon and more.

The case against Kott is the first to go to trial involving Veco, a company that was hugely influential in Juneau for many years. Allen and Smith have both pleaded guilty to bribery and other charges and resigned their positions with Veco.

FBI - Stevens-972

As of Friday, Veco no longer exists. It's been sold to the Colorado-based engineering firm CH2M Hill.

Kott, a former house speaker from Eagle River who served 14 years in the Legislature, is being tried on charges of bribery, conspiracy, extortion and wire fraud.

Several dozen people gathered in the federal courtroom for opening statements, including defense lawyers, prosecutors, FBI agents and news reporters, but the crowd cleared out by the afternoon. Whistleblower Ray Metcalfe stayed.

Marsh told jurors that Kott, who ran a hardwood flooring business, is accused of accepting money or things of value three times from Veco executives, plus the promise of a job. The specific accusations, as laid out by Marsh:

- Kott, in need of cash during his 2006 campaign, sent Allen a fake bill for an extra \$7,993 in flooring work.
- Veco paid \$2,750 for a political poll by David Dittman to see how Kott was faring with voters during the campaign. Kott lost in the primary.
- Kott accepted \$1,000 from Allen to reimburse Kott for a contribution he made to then-Gov. Frank Murkowski's re-election bid.

All of that is misconstrued or overblown, Wendt told jurors. Kott received no personal benefit from any of it, the defense lawyer said. He didn't even know about the poll beforehand.

The only thing Kott did wrong was accept the \$1,000, but that was just to reimburse him for the contribution, Wendt said.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

The Alaska political corruption investigation

The trial of former Eagle River Rep. Pete Kott is part of a broad investigation into public corruption focused on state and federal officials, lobbyists and others. The investigation is being led by the FBI and Department of Justice and has resulted in charges against four former state legislators, two former executives of the Veco Corp., and a lobbyist for a private prison company.

Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco executives for supporting an oil tax measure favored by the petroleum industry.

Print Page

Close Window

FBI - Stevens-973

adn.com

Anchorage Daily News

Print Page

Close Window

Kott trial jurors hear the boasts and the despair**TAPES: Behind-the-scenes look at oil-tax legislation plays out.**By LISA DEMER
ldemer@adn.com*(Published: September 12, 2007)*

Prosecutors in the public corruption trial of former Rep. Pete Kott are giving a rare, close-up view of a good ol' boys club of insiders and deal makers that operated on the fringes of the Alaska Legislature.

Much of the action being detailed in the courtroom takes place in Suite 604 of Juneau's Baranof Hotel, where former Veco executives Bill Allen and Rick Smith plotted with Kott on how to get the industry's preferred version of a new oil tax and a gas pipeline proposal through the Legislature in 2006.

Scene after scene played out for jurors Tuesday in U.S. District Court as a federal prosecutor methodically introduced dozens of secretly made audio and video recordings.

Grainy videos captured through an FBI-planted bug in the Veco suite show the men chummy, drinking and boastful at times of seeming victory, then full of despair when legislation didn't go their way. Numerous calls intercepted on Allen and Smith's cell phones also were played for jurors.

Kott is accused of bribery, conspiracy, extortion and wire fraud. Prosecutors say he was paid off by Veco through a fake \$7,993 invoice for his hardwood flooring business, a \$2,750 political poll and \$1,000 in cash.

Kott's defense lawyers say there's nothing illegal about working with lobbyists and others for a common end, and that's all Kott was doing.

Kott, a Republican and former House Speaker from Eagle River, lost power in a coup that put John Harris of Valdez in the speaker's chair, but still found ways to twist arms to help Veco.

On March 26, 2006, while the Legislature was considering a new oil tax system, Kott called Smith on his cell phone. Kott was about to head over to the Prospector Hotel for drinks to celebrate Kodiak Rep. Gabrielle LeDoux's birthday. He urged Smith to come too. Kott had been trying to win her support on the oil tax.

He joked with Smith that he was later going to the opera -- Conoco Phillips had bought 50 seats -- then admitted he wasn't that cultured.

Kott told Smith he was putting pressure on state Sen. Fred Dyson, another Republican from Eagle River. He had voted that day to hold up an anti-abortion bill sponsored by Dyson, who cares a lot about the issue.

"He wants my vote, he better square up on oil taxes," Kott told Smith.

Smith, who was a Veco vice president, and Allen, Veco's influential chief executive, both are

FBI - Stevens-974

255KSO1.07h
<http://www.adn.com/news/politics/fbi/kott/v-printer/story/9297017p-9210867c.html>

9/12/2007

194A-AN-13620-17:460

awaiting sentencing after pleading guilty to bribery and other charges involving four former state lawmakers, including Kott and Rep. Bruce Weyhrauch, R-Juneau. They have resigned their posts and are cooperating with prosecutors. Veco last week was sold to CH2M Hill.

The tax rate they sought became intertwined with the proposed gas pipeline. Prosecutors say a gas line proposal, which never cleared the Legislature in 2006, could have been enormously profitable to Veco.

By May 7, 2006, the Legislature was reaching a climactic showdown over the Petroleum Profits Tax, known as PPT.

Allen was calling Kott on the House floor to give him instructions on how to vote, according to a court paper filed in Allen's case.

Just after 8:30 that night, Kott was on the phone with Smith. Weyhrauch had voted the wrong way on an amendment that would raise the proposed tax to 21.5 percent of profits, up from 20 percent.

The amendment passed, but barely, on a 21-19 vote. Kott told Smith they could ask for the vote to be rescinded.

An hour later, Kott reported back. The strategy worked. The tax rate was back at 20 percent.

"Way to go, partner," Smith told Kott.

At current oil prices, every 1 percent change in the tax rate means as much as \$150 million more in taxes, according to Dan Dickenson, the state's former director of the oil and gas audit division, who testified Monday.

By 11:30 that night, Kott was in Suite 604, celebrating with Smith, Allen and others.

As the men drank and clinked glasses, Kott boasted that he told the minority leader, then-Rep. Ethan Berkowitz, that he had to have some of his Democratic votes. It was unclear what Kott said to Berkowitz or even whether Berkowitz swung any votes. But Kott sure made out like it happened his way.

"I outsmarted the fox," Kott told the room. Later he said it was a "sucker punch" and said "I use 'em and abuse 'em."

Reached Tuesday, Berkowitz said he doesn't know what "sucker punch" Kott was referring to. "I counted my votes accurately that day," he said. "I knew where they were and I held them."

Kott played the tax rate battle like a hand of political poker, holding at 20 percent, which is what the oil companies wanted. He said on tape that if not for Allen, he'd be supporting a 30 percent tax.

The entire PPT oil tax measure died two days later at the end of the session, as the House and Senate failed to agree on the bill.

The final tax, at a rate of 22.5 percent, wasn't adopted until August 2006, after two special sessions.

Also on Tuesday, prosecutors played for jurors a secretly recorded July 12, 2006, cell phone call between Smith and former state Sen. Jerry Mackie.

FBI - Stevens-975

Mackie, who became a lobbyist, at the time was also partner in the consulting firm Northwest Strategies, which was working on Kott's campaign.

They talked about a poll being done by Dave Dittman for Kott's campaign. Prosecutors say Veco paid for it.

In the phone call with Smith, Mackie said he had let Kott know that Smith and Allen had agreed to help out with the poll. Kott said that was great, Mackie told Smith.

Defense lawyer Jim Wendt protested that recording, and a couple of others, being played for jurors. But prosecutor James Goeke told U.S. District Judge John Sedwick that Mackie was an unindicted co-conspirator, which changes the rules on what evidence can be allowed.

Reached Tuesday evening, Mackie said he knew about the poll, but was not part of any bribery conspiracy with Veco. His lawyer, Jeff Feldman, said it was "an unfortunate label."

Mackie said the FBI interviewed him more than a year ago on general matters involving Allen and Smith and never even asked him about the poll.

Also part of the prosecution's case Tuesday was a conversation involving former state Sen. Ben Stevens.

Stevens was a paid Veco consultant at the same time he was a senator. Yet while Kott was claiming success with the oil tax in the House, Stevens was struggling to get an acceptable measure through the Senate.

Prosecutors played a recording of a March 5, 2006, phone call between Stevens and Allen in which they assessed various other legislators.

Stevens expressed disdain for Fairbanks Rep. Jay Ramras, who his old rival, Sen. Gene Therriault, helped get elected.

"One of those (expletive) salesman kind of guys."

"Amen, amen," Allen responded.

More secret recordings are expected to be played for jurors this morning. By afternoon, Allen could be on the stand.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Tom Kizzia contributed to this story. FBI - Stevens-976

Case at a glance

The Alaska political corruption investigation

- The trial of former Eagle River Rep. Pete Kott is part of a broad federal investigation into public corruption in Alaska involving state and federal officials, lobbyists and others.

- Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco Corp. in exchange for supporting an oil tax measure favored by the petroleum industry. He is fighting the charges.
- For more on the investigation, including an interactive timeline and overview, go online to adn.com/news/politics/fbi

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-977

adn.com

Anchorage Daily News

Print Page

Close Window

Allen counted on having friend in Legislature

He testifies that he gave money, favors to oil-tax ally in Juneau

By RICHARD MAUER and LISA DEMER
Anchorage Daily News

(Published: September 13, 2007)

More than a year after he emerged as the central figure in the Alaska corruption investigation, former Veco chairman Bill Allen at last took the witness stand Wednesday in the trial of former House speaker Pete Kott and began recounting his version of the last three decades of oil politics.

Along the way Allen, the government's chief witness, told of the money, jobs and favors he dispensed to Kott, a man he described as a friend and reliable ally but who could wind up in prison on Allen's testimony.

As word of Allen's impending visit to the courtroom got around town at lunchtime, the federal courtroom of U.S. District Judge John Sedwick began to fill, eventually drawing more than 60 people. Some were lawyers or paralegals working for other potential defendants or witnesses. The back row held gray-haired remnants of the liberal Democrats who flexed so much power in Juneau in the 1970s before oil-friendly Republicans made them largely irrelevant, while up front sat a conservative talk show host who fought Veco's efforts a few years back to pay for government out of the Permanent Fund. Other spectators just wanted a glimpse of history.

But the real business of the day was what Allen told the jury about Kott, a 14-year veteran of the state House from Eagle River. Allen and one of his vice presidents, Rick Smith, pleaded guilty to bribery and conspiracy and are hoping to get reduced sentences by cooperating with federal authorities.

Over nearly three hours of testimony that will resume this morning, Allen talked about overpaying a flooring job done by Kott by more than \$7,000 and of scheming to get at least some of that money to Kott's son so that he could work on Kott's 2006 campaign, when a poll showed he was in surprising trouble. Even the poll itself was secretly paid for by Veco, which if true would be a hidden -- and illegal -- campaign contribution by the company to Kott.

"Why were you trying to get money to Pete Kott for his son's help in the campaign?" asked assistant U.S. Attorney James Goeke.

"He was going to run again and he needed his son to help him," Allen said.



Ex-Veco chief Bill Allen walks outside the federal building courtroom during Pete Kott's trial Wednesday Sept. 12, 2007, where he spent the better part of three hours outlining his working relationship with the then-state representative. (BILL ROTH / Anchorage Daily News)



Former Alaska state House Speaker Pete Kott, right, walks through the federal court building past a row of green lights in Anchorage on Wednesday with his daughter, Pam Kott. (AL GRILLO / The Associated Press)

FBI - Stevens-978

257K502.07h

<http://www.adn.com/news/politics/fbi/kott/v-printer/story/9298937p-9213454c.html>

9/14/2007

194A-AN-13620-m:461

"What would his son be doing otherwise?" asked Goeke.

"A job," Allen said. "He can do the floors as good as Pete."

"So back on July 31, 2006, do you know if Mr. Kott was going to be able to go to work on the campaign and do other work?" continued Goeke.

"He couldn't afford it," said Allen. "He has a family to take care of."

Before announcing he would run again, Kott had been making noises about retiring and had talked with Allen about work. Some of those conversations were recorded by the FBI.

In one such, on June 1, 2006, Kott joked with Allen that he wanted to be warden of the prison Veco was building in Barbados, "especially with all the women there on the beaches." He said he'd do anything, even pass out beach towels.

Allen testified that he knew Kott was joking about that. But Kott also said on the recording that he wanted to be a lobbyist.

"For Veco?" Goeke asked in court Wednesday.

"Yes," Allen answered.

Veco lobbyists made \$6,000 to \$12,000 a month, Allen testified. And he would have hired Kott, he said.

But even as he provided the evidence about Kott, and along the way implicated his own company and its executives in an illegal campaign contribution scam, Allen never once acknowledged that a specific action by him or Kott broke the law.

While Allen, 70, has never been shy about appearing at public events and private fundraisers over the last quarter century as his political power grew, he has only rarely engaged in public speaking. His speech has been impaired since 2001 when, riding without a helmet, he crashed his motorcycle. On the witness stand, he said about a quarter of the part of his brain that controls speech died after the accident, and, like some stroke victims, he has trouble picking out words. He also has trouble hearing, and a court headset he wore while testifying proved balky at times.

At one point, he started to describe what the oil companies wanted most out of Juneau, then had to pause.

"Wait, I got to find this word," he said. He closed his eyes, put his head in his hands and worked something over in his mind for what seemed a small eternity while the courtroom, in silence, waited for him to speak.

FBI - Stevens-979

"Certainty!" he finally exclaimed. "They wanted certainty." In other words, they wanted to be sure that taxes would not be raised before they would agree to build a natural gas pipeline, the thrust of the efforts on the so-called PPT -- petroleum profits tax -- that tied the 2006 Legislature in knots.

Allen took the industry lead in promoting a low profits tax -- a much bigger effort than the producers themselves were making. FBI-intercepted telephone calls and conversations at a hotel suite in Juneau show that Kott and Senate President Ben Stevens were his two most helpful soldiers.

In one conversation from June 8, 2006, played while Allen was on the stand, he recalled a discussion he had with the head of Conoco Phillips in Alaska, Jim Bowles, about the profits tax.

"I said between Pete Kott and Ben ... they won't have, they won't even have their fingerprints on the (bill)." It seemed Allen was referring to the "fingerprints" of the producers, but his remarks were ambiguous enough that they could have been those of Stevens and Kott.

As the tapes were played, Allen testified he had no idea that his phones were taped or that a secret camera had been placed in his hotel suite in Juneau by the FBI under a court order.

"If I knew that, I wouldn't have said all this stuff," Allen said, drawing smiles from the jury and chuckles around the courtroom. He learned he was the target of the Justice Department's Public Integrity Section on Aug. 30, 2006 -- a day before the FBI executed a series of raids on legislative offices.

Allen emerged as one of the industry's biggest promoters in the 1980s, when Veco began a long run as a reliable source of campaign contributions, mainly for Republicans. At the time, Allen testified, his main political hand was the former state senator and trooper head Ed Dankworth, sometimes referred to as the "21st Senator" for his efforts at organizing the Senate into blocs long after he left the body.

Allen said he and Dankworth had a thorough falling-out after he bought the Anchorage Times in 1989. One of his biggest financial supporters in his journalism venture was Chuck Robinson, the long-time executive of the telephone company ACS, Allen said. Dankworth lobbied for ACS' chief rival, GCI, and Dankworth refused Allen's pleas to switch.

"If you can't do that, Dankworth, I don't want you to be with me," Allen recalled telling his onetime friend.

Allen was born in Socorro, N.M., and left for Oregon with his family shortly after World War II, when he was 8 or 9. He missed several years of school while his family followed the fruit crops.

"We were pickers, I guess."

He quit school for good as a high school sophomore, then learned to weld, a skill that brought him to Alaska in 1968. With another oil field worker named Wayne Velti, who founded VE Construction, he worked the Cook Inlet rigs for Arco, eventually taking over the company and shortening its name. In the last few years, it had annual sales of \$1 billion and 4,000 employees worldwide, about half in Alaska, he said. Last week, the company was taken over by CH2M Hill.

Find Richard Mauer at adn.com/contact/rmauer or call 257-4345. Find Lisa Demer at adn.com/contact/ldemer or 257-4390.

ONLINE AUDIO: Listen to surveillance recordings submitted as evidence in the Pete Kott trial at adn.com/fbi

Print Page

Close Window

FBI - Stevens-980

Copyright © 2007 The Anchorage Daily News (www.adn.com)

92

FBI-- Stevens 981

adn.com

Anchorage Daily News

Print Page

Close Window

Pete Kott's corruption trial defense emerges

BILL ALLEN: Ex-Veco chief says he bribed the defendant, Kohring and Ben Stevens.

By LISA DEMER and SEAN COCKERHAM

Anchorage Daily News

(Published: September 14, 2007)

For much of Thursday at Pete Kott's corruption trial, defense lawyer Jim Wendt tried to chip away at the story being told from the witness chair by former Veco chief executive Bill Allen.

Kott, a Republican and former House speaker from Eagle River, is accused of pushing new oil tax legislation on behalf of Veco that was also favored by North Slope oil producers. In exchange, prosecutors say he got nearly \$9,000, a political poll and the promise of a job.

Wendt kept pushing to get him to say Allen's promise of a job didn't really mean much or that the money Veco executives gave to Kott was legitimate.

Allen, 70, though weary and showing the strain at times after two days on the stand, didn't go along with the defense.

He is a key prosecution witness in the trial of Kott, a man whom Allen called a close friend, almost like family.

Allen told jurors he already has admitted his guilt in a conspiracy. He testified that he pleaded guilty to bribing three former legislators: "Pete Kott, Vic Kohring and Ben Stevens."

Kohring, a Republican from Wasilla who served in the House, is awaiting trial. Stevens, a Republican and former Senate president from Anchorage, hasn't been charged. Allen didn't mention a fourth legislator, former state Rep. Bruce Weyhrauch, whose corruption case was split from Kott's just before the trial began.

Allen testified that he didn't always tell FBI agents who were investigating corruption among legislators what they wanted to hear, but it was the truth.

"I worked real hard trying to make the truth and everything ... to be fair," Allen said.

Allen said that he expected to be sentenced to 10 to 11 years in prison but that no promises had been made. "Whatever happens to me happens." FBI - Stevens-982

He was confronted by FBI agents on Aug. 30, 2006, while going to breakfast with Sen. Fred Dyson, who unknown to Allen was helping in the investigation.

Allen said he agreed to cooperate to save his three grown children from being indicted and to spare Veco, which he built from its roots on Cook Inlet rigs to an international company with more than 4,000 employees. Veco was sold last week to CH2M Hill.

From the FBI headquarters in downtown Anchorage that first day, Allen called Kott. The FBI, which was recording the call without Kott's knowledge, wanted to know more about a \$7,993 payment

257ks03,0th

<http://www.adn.com/news/politics/fbi/kott/v-printer/story/9302442p-9215951c.html>

9/14/2007

194A-AN-13620-m; 462

from Allen that apparently was destined for Kott's son.

Prosecutors say the money was paid to Kott through an inflated invoice from his hardwood flooring company.

"Have you got your son took care of?" Allen asked Kott in the call, which earlier had been played for jurors.

Yeah, Kott answered.

"Did Rick get it done for you?" Allen asked, referring to former Veco vice president Rick Smith, who also has pleaded guilty to bribery and other charges.

Yeah, yeah, Kott answered.

"How did he do it or -- can you tell me?" Allen went on.

Kott reminded Allen that it was his check.

"Remember we talked about three, four or five weeks ago just add on X amount -- I forgot what it was exactly -- to your bill or something," Kott told him.

Prosecutors have played dozens of secretly made recordings for jurors that expose crude language, drinking and political deal making in which, they say, Kott was corrupted by Allen and Smith.

On Thursday, defense lawyer Wendt asked Allen if the \$7,900 was an advance for future flooring work, not a bribe.

Allen said he didn't know anything about any future work. The money, he said, was for Kott's son, Peter Jr., to take time off from the flooring business and help out on his father's campaign.

The defense appeared to score a point when Wendt pressed Allen on whether he had offered Kott a lobbying job "with Veco."

Allen said in at least one of the recorded conversations that Kott would be a lobbyist. But when Wendt asked him to find on the transcript where he specifically promised that Kott would be a lobbyist for Veco, he couldn't.

"In my mind I told him he would be a lobbyist with Veco," Allen said, adding he believed that was Kott's understanding as well. Another issue concerns \$1,000 cash that Allen handed to Kott in Suite 604 of Juneau's Baranof Hotel. Many of the recordings were made there.

Wendt asked Allen if that wasn't just reimbursing Kott for money he had contributed to Gov. Frank Murkowski's campaign.

Allen said he didn't owe Kott anything for that. But Wendt repeatedly asked if the \$1,000 was payoff for the contribution.

"Yeah, but he didn't ask for it. I just gave it to him ... goddamn," a frustrated Allen said on the witness stand.

Wendt contends Kott didn't always do Veco's bidding and was on the opposite side of matters such as workers' compensation.

FBI - Stevens-983

But Allen testified he didn't remember if there was ever any issue where he and Kott split.

Allen said he was friendly with a few legislators, all Anchorage Republicans, including Stevens and state Reps. Mike Hawker and Norm Rokeberg.

He was especially close only to Kott and state Sen. John Cowdery, he said.

Kott was a drinking buddy who lived with him for a few months in 2005 to be closer to flooring jobs, Allen said. He related to Cowdery because both were contractors -- Cowdery used to run an excavation business -- and liked to talk shop.

Both regularly showed up at his downtown Anchorage home unannounced. He welcomed it. Cowdery would say "I'm at the front door," Allen told jurors.

Wendt asked Allen about Veco's hiring of legislators as consultants. Allen talked about two, Stevens, and former state Rep. Tom Anderson, R-Anchorage. Anderson was convicted in July of seven federal charges in another corruption case, but the allegations didn't involve Veco.

Allen said another executive hired Anderson and he only found out later.

"He was supposed to be like a lawyer," Allen said. But he admitted "I don't know why we really hired him."

Allen told jurors he talked with Kott about eventually going to work for Veco -- but after he was out of office. He said Veco shouldn't hire sitting legislators and it shouldn't have happened with Anderson.

As to Stevens, he started consulting for Veco in 1995, six years before he was appointed to the Senate, Allen said. "He was real good at details. He was like Pete. He would work," Allen said.

By the time Stevens was in the Senate, he had four kids, Allen noted. "How am I supposed to say 'now that you're a senator, Ben, I can't give you more money,' " Allen testified. "I couldn't do that."

One strange moment happened at the end of Friday's testimony. Wendt asked Allen if he had threatened to have his nephew, Dave Anderson, killed for being "involved in blackmail." Allen said there was blackmail but that he never threatened to have his nephew murdered.

"I told him I'd kick the s--- out of him," Allen said on the witness stand.

The trial resumes today with Allen still on the stand. Smith also is expected to testify.

The trial is expected to take much of next week.

FBI - Stevens-984

Find Sean Cockerham online at adn.com/contact/scockerham or call 257-2344. Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-985

adn.com

Anchorage Daily News

Print Page

Close Window

Kott trial exposes Veco political maneuvering

PROSECUTION RESTS: From pig roasts to political polls, former V.P. shines light on firm's spending.

By RICHARD MAUER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 18, 2007)

Former Veco vice president Rick Smith was at the center of company fundraising, whether it was organizing the annual pig roasts for Rep. Don Young or one of the many golf tournaments where he turned checks into cash under a special arrangement with the Buckaroo Club in Spenard known as the "Phony Account."

Smith concluded two days of testimony Monday as a government witness in the federal corruption trial of former House Speaker Pete Kott, R-Eagle River. The government later wrapped up its case, with Kott's attorneys expecting to present their defense starting this morning and running through Thursday.

After the jury was dismissed for the day, U.S. District Judge John Sedwick rejected a defense motion to throw out the case against Kott. He said the government had provided ample evidence to support its charges of bribery, extortion and conspiracy.

The day also provided an inside look into how Veco apparently broke state law by hiring Anchorage pollster David Dittman to conduct a poll for Kott in 2006. Dittman, who took the stand after Smith, said he suspected the Veco-paid poll amounted to an illegal campaign contribution from the company to Kott, but decided it wasn't his business to worry about it.

Until it was sold 11 days ago on the eve of Kott's trial, Veco was an Alaska-based oil field services company. Its former chairman, Bill Allen, was among the most politically active businessmen in the state.

Kott's trial resumed Monday with Smith on the witness stand under cross-examination by Jim Wendt, the chief defense counsel.

Smith began work at Veco in 1989 as a logistics expert in Veco's cleanup of the Exxon Valdez oil spill. Rising to vice president of community and government affairs, Smith said his most recent annual salary was \$165,000 plus a bonus ranging from \$20,000 to \$80,000. He was also illegally reimbursed for campaign



Former Veco Corp. executive Rick Smith, left, walks from a federal courtroom on Sept. 17, 2007, during a break in his testimony in the federal corruption trial of former Alaska House Speaker Pete Kott. (AL GRILLO / The Associated Press)



()

FBI - Stevens-986

contributions totaling \$20,000 to \$50,000 a year, he said.

The corruption investigation, centered on Veco and its relationships with politicians, brought an end to his employment in May, but his severance package was worth \$384,000. Veco continued to pay his legal bills until CH2M Hill bought the company. He settled for a one-time lump-sum payment of \$500,000 for lawyers but can keep any money left over, he said.

Smith learned he was busted on Aug. 31, 2006, the day after Allen agreed to work for the government. Smith said he got an early morning call from Allen, who asked him to come to his home as soon as he could.

He got to Allen's door about 9 a.m.

"I got some people you need to talk to," Allen said, then left. Two FBI agents approached Smith.

"They sat down and had a conversation with me, showed me the video and audio evidence they had accumulated and talked about what would happen to me if they were to prosecute and indict me," Smith testified.

He caved quickly and agreed to cooperate. Both he and Allen have pleaded guilty to bribery, extortion and conspiracy and face about 10 years in prison.

Wendt attempted to attack Smith's credibility by bringing up the dozens of charitable golf tournaments he ran over the years and his odd arrangements with the Buckaroo Club, a Spenard bar.

"The business relationship you had with them was to launder money, isn't that true?" Wendt asked.

Smith denied his conduct was illegal. He said he'd bring tournament checks from participants to the bar, which would cash them so he had money to pay expenses. Wendt suggested the amount totaled in the hundreds of thousands of dollars, and Smith didn't deny it. He also didn't deny that he called his arrangement the "Phony Account."

"Didn't the owners of the Buckaroo warn you that the IRS would catch up to you some day?" Wendt said.

"I don't recall," Smith said.

Smith said that for more than 10 years he organized the annual pig roasts that raised money for Don Young's campaigns. They were major affairs, attended by 200 to 400 people and catered by the Marx Bros. Cafe. The cost was \$10,000 to \$15,000, he said. He wasn't asked whether Young's campaign reimbursed the full cost.

Smith acknowledged he was the Veco employee who supervised the payments of \$30,000 to Tom Anderson when Anderson served in the state House -- a "sham contract," in Wendt's words.

"We never got any work out of it," Smith said. "I asked him to work. It didn't happen."



FBI hidden surveillance: "I sold my soul to the devil..." That's what former Rep. Pete Kott tells former Veco executives Bill Allen and Rick Smith in FBI surveillance videos shown to the jury at Kott's corruption trial in federal court. ()

FBI - Stevens-987

Anderson was convicted in July of taking bribes to do the bidding of another company that wanted to build a private prison in Alaska.

Taking his turn in the witness stand, pollster Dave Dittman said Veco paid him to conduct polls for candidates, including Kott and then-Gov. Frank Murkowski. Such corporate-funded polls for candidates are illegal, according to the head of the Alaska Public Offices Commission.

Dittman indicated on the stand that he did have some concerns about the legality of the polls.

"I remember thinking that 'Oh, I hope you guys don't get yourselves in trouble over this,' " Dittman testified, speaking about Veco paying \$2,750 for the July 2006 Kott poll. "I knew it was a corporate contribution; it would exceed the maximum contribution. I also felt they were big boys, had been around for a while and probably knew what they were doing."

Dittman also testified that he conducted a \$20,000 poll for then-Gov. Frank Murkowski in April 2006. Veco executive Rick Smith paid for that poll, Dittman said on the witness stand.

"This one was initiated by either Jim Clark or the governor," Dittman testified. "The governor was very unpopular at the time and there was some question of whether he would run."

Clark, who was Murkowski's chief of staff, did not return a phone message seeking comment. Dittman said in an interview he thinks the poll could have been legal because Murkowski was not a declared candidate at that time. Brooke Miles, executive director of the APOC, said that is a gray area.

Dittman also said on the witness stand that Veco paid in June 2006 for a "gubernatorial primary poll" and one for state Senate District N, where then-Sen. Ben Stevens was trying to decide whether he had a chance to retain his seat.

Dittman testified he has done "four or five" political candidate polls for Veco over the past few years. In the later interview, Dittman said he could not recall any other companies that had paid for him to do candidate polls within the past several years.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

REAL-TIME FROM THE TRIAL: Find the most up-to-date news from the Kott trial on our politics blog. Reporter Kyle Hopkins is posting updates throughout the day

Print Page

Close Window

FBI - Stevens-988

Copyright © 2007 The Anchorage Daily News (www.adn.com)

adn.com

Anchorage Daily News

Print Page

Close Window

Defense disputes evidence from Kohring's FBI conversations

EVIDENCE: Lawyer asks to stifle material from search of office.

By LISA DEMER

ldemer@adn.com

(Published: September 18, 2007)

A battle is being fought over evidence in the case against former Rep. Vic Kohring, but that's just one of the twists.

At issue: whether prosecutors can use materials seized and statements made by Kohring during the Aug. 31, 2006, search of his legislative office in Wasilla.

His lawyer, John Henry Browne of Seattle, says they didn't get anything incriminating, but he is still fighting to stifle everything from the search. Kohring, a Republican elected seven times, talked with FBI agents for hours that day.

One revelation came after the hearing. Browne told reporters that he intended to file a motion within the next two weeks to dismiss the charges based on what he called improper interference by state Sen. Fred Dyson, R-Eagle River.

Kohring's trial is set to begin Oct. 22. He is charged with conspiracy, extortion and bribery. He is accused of accepting money from Veco Corp. executives in order to push the company's interests on oil taxes and a natural gas pipeline.

According to an FBI report filed in court by his attorney, Kohring told agents:

- He had asked for money for himself personally and for his political campaigns from Veco executives Rick Smith and Bill Allen, and also asked Smith about borrowing or renting a truck. The campaign contributions were properly reported, he said.
- He told agents about regularly meeting and dining with lobbyists while the Legislature was in session. "He likes receiving free meals and drinks from lobbyists," the FBI summary of the Aug. 31 interview said.
- Kohring had a \$2,700-a-month consulting contract with developer Marc Marlow but couldn't describe his specific duties.
- Earlier, Kohring had asked Allen if Veco would hire his nephew as an intern. Veco did so. Kohring told agents he thought it was a great benefit for an 18-year-old to be paid \$16 an hour.



Former state Rep. Vic Kohring, R-Wasilla, leaves the federal courthouse in Anchorage after a hearing Sept. 17, 2007. Kohring faces bribery, extortion and corruption charges for allegedly taking money from Veco in return for his support on energy issues. (BILL ROTH / Anchorage Daily News)



Kohring's attorney John Henry Browne said all the allegations can be explained. ()

FBI - Stevens-989

In another revelation, former Cornell Cos. consultant Frank Prewitt and former state Rep. Tom Anderson secretly recorded conversations with Kohring for the government, according to a letter sent this summer by federal prosecutors to Browne. It was just filed in court. Anderson was convicted in July of taking bribes to do the bidding of Cornell, but it came out at his trial that he at one point was cooperating with the FBI. Prewitt was working undercover for the FBI to collect information against Anderson and, it's now known, against Kohring.

The letter says both Prewitt and Anderson made recordings for the government in the case voluntarily, so no court authorization was needed.

KOHRING'S VOTE RECORD

Browne said all the allegations can be explained and that what's important is this: Kohring didn't vote Veco's way on the oil tax. A check of legislative records shows that was true on certain key votes. When Veco shifted strategy to support a compromise tax rate in an August 2006 special session, Kohring voted against it.

Browne said he learned only Thursday from testimony in the Kott case that Dyson had been helping the FBI investigate corruption in the Alaska Legislature. That makes him an agent of the government, Browne said. He called Dyson "a lapdog."

Browne said he takes issue with Dyson trying to persuade Kohring to at least talk to the feds, if not take a plea deal. He said he believes that the government could have been trying to interfere with Kohring's right to counsel.

But Dyson said later that he just was trying to help Kohring as a friend and wasn't asked to do so by prosecutors or the FBI.

As Browne tells it, a legislative aide to Dyson contacted an aide to Kohring to say the FBI had contacted Dyson's office and that Kohring would be "stupid to go to trial."

On Aug. 6, Craig Suffian, an attorney who works for Browne, sent Dyson an e-mail saying there may have been "an end-run around the right to counsel."

In his e-mail response the same day, Dyson said he wasn't trying to do that.

"My sense of the FBI investigations is that it is not a witch hunt and that they mostly want to nail the really bad guys who did intend to distort the Alaskan Legislative process," Dyson wrote.

He believed that Kohring never meant any harm and possibly could "avoid a good deal of stress and bad press at a trial by at least sitting down with the Feds and see if an attractive alternative was possible," he said in his e-mail. He said he figured Kohring's lawyers would go with him to talk to prosecutors.

FBI - Stevens-990

Browne provided a copy of the e-mail exchange.

So is Kohring negotiating? Browne said that's something defense lawyers are barred from talking about.

FBI TESTIMONY

During the three-hour hearing on Monday, three FBI agents testified about the search of Kohring's office.

Five agents were involved, along with an evidence technician. But while the agents were armed, their weapons were concealed and never drawn, agents testified. They wore business clothes, not FBI raid jackets, and drove unmarked cars. While the outer door to the office was locked, it opened from the inside and Kohring was always free to go, agent Alan Vanderploeg testified.

They had a warrant, signed by federal Magistrate Judge John D. Roberts on Aug. 29, 2006.

But the warrant was never executed. Agents wanted Kohring to agree to the search, which he did.

Kohring's lawyer maintains that a search cannot be voluntary if agents tell the subject they have a warrant.

Kohring is one of six former or current legislators whose offices were searched that day. Agents testified they were instructed to get consent for the searches as "a professional courtesy."

But it also made it more difficult for defense lawyers to see the written support for the search warrant -- the application and the FBI agent's detailed affidavit. The search warrant and affidavit were sealed.

Browne told Roberts that he still wanted to see the affidavit and that prosecutors hadn't turned it over. At the hearing, prosecutors agreed to provide it, as long as he kept it confidential.

Now it is up to Roberts to recommend to District Judge John Sedwick whether the evidence taken in the search, and the statement that Kohring gave, can be used against him.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Tom Kizzia contributed to this story.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-991

adn.com

Anchorage Daily News

Print Page

Close Window

Kott's son says cash was a legal advance

TESTIMONY: Money was for future flooring work for Veco executive.

By SEAN COCKERHAM and LISA DEMER

Anchorage Daily News

(Published: September 19, 2007)

Ex-state Rep. Pete Kott's son tried to keep his father out of federal prison Tuesday with testimony directly contradicting that of former Veco executives who pleaded guilty to bribing his dad.

The younger Kott, who is also named Peter, testified Tuesday that \$7,993 in cash he received from his father was just an advance for future flooring work. That's not so, said the Veco executives. They said the money was a payoff to allow Kott's son to take time off and work on Kott's re-election campaign.

The Veco executives testified earlier in the trial that it was a bribe they gave the elder Kott so his son would have money to work as his campaign manager.

Jurors will have to decide whom to believe, either the executives who have pleaded guilty to bribing Kott and other legislators or the politician's son who was clearly defensive of his father.

The younger Kott's testimony dominated the trial Tuesday as the defense scrambled to shoot holes in the corruption case against the former state House speaker from Eagle River. The defense also tried to use Kott's son to explain away a political poll Veco funded for his dad's campaign.

Former House Minority Leader Ethan Berkowitz also spent time on the witness stand Tuesday, subpoenaed to testify on Kott's behalf.

Berkowitz said Kott didn't trick him into getting fellow Democrats to vote the way Veco wanted, even though Kott had boasted to the Veco executives during a drinking bout that he had done so.

"I didn't have the authority to trade votes," Berkowitz said.

Kott's son, who testified right before Berkowitz, talked comfortably under questioning by defense lawyer Jim Wendt about both the poll and his salary.

Wearing a diamond-patterned gray sweater, the younger Kott came across as clean-cut and likable. He spoke in a clear, strong voice. He looks like his sister Pamela, not his dad.

But when prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section in Washington, D.C., pushed him during cross-examination, he hesitated and by the end seemed deflated.

Kott said that he served as his dad's campaign manager in 2006 but that his title just as easily could have been gofer.

He helped on his father's first campaign in 1992 but hadn't done much political work in the years since. In 2006, he jumped in because his father was facing a tough primary challenge from fellow

FBI - Stevens-992

<http://www.adn.com/news/politics/fbi/kott/v-printer/story/9314766p-9228866c.html>

9/19/2007

262K501.0th

194A-AN-13620-m;465

Republican Anna Fairclough, who would ultimately win the primary and the seat. The younger Kott wasn't happy she was running and presenting his father with his first tough challenge in years, he said.

The father and son operated a business called Kott's Hardwood Flooring. Working on his father's campaign meant the younger Kott had to take a break from the flooring business and he testified that by the end of July he was running out of money.

"I basically told my dad 'if you want to keep me on I have to have some kind of income,' " testified the younger Kott, who said he has two children still at home and a wife who does not have a job.

Sometime around the second week of August, he testified, his father brought \$7,993 in cash to his home and gave it to him. The younger Kott told the jury it was understood it was to be an advance for flooring work. He said he needed to refinish the Brazilian cherry floors he did in 2002 for former Veco executive Rick Smith and also had a job for a woman he identified only as Sharon Durant.

Kott testified that the idea of getting an advance so he had money to work on his father's campaign came up in a discussion at "Mr. Bill Allen's place" in July. He said Allen, the chief executive of Veco, during a conversation involving both Kotts, offered to give him cash without any need to do work.

"I said no, no, no," Kott said, adding that he and his father were not about to compromise themselves by doing something illegal.

He said the solution of getting an advance for flooring was his idea.

He said he intended to do the flooring jobs after the Aug. 22 primary election. But his father lost the primary and he never did the work for Smith. Kott said Smith was supposed to call him but never did.

He testified that after the FBI raided the offices of his father and other legislators on Aug. 31 and Veco was mentioned in the news coverage, he didn't press the issue of finishing up Smith's floor.

He didn't say in court what happened to the "Sharon Durant" job and didn't return a phone call later Tuesday seeking comment. He also did not explain why her job would have been included in a \$7,993 invoice paid by Allen or, for that matter, why Allen would be paying for Smith's flooring job.

When prosecutor Marsh got his turn to ask the younger Kott questions, he clearly wanted jurors to know he found the story unbelievable.

If he never did the job for Smith, wouldn't he want to pay the money back? Marsh asked him.

"I will give it back," Kott said.

FBI - Stevens-993

But you haven't, Marsh said. Kott conceded that was true.

When Smith testified last week for the prosecution, he said the story about the flooring job was just a cover. The idea was to just get money to the son so he could keep working on the campaign, Smith told jurors.

Smith testified that he met with then-Rep. Kott at the Rendezvous bar in Juneau on July 31, 2006, to figure out a way to do so without anyone knowing.

"I thought it was illegal," Smith testified.

Anyway, his floors didn't need to be redone, Smith said.

Former Veco chief Allen also has testified he didn't think Smith's floors needed to be redone.

"They didn't need to because you go into Rick's house and you have to take your shoes off," he testified last week.

Allen agreed with Smith that the payment for Kott's son wasn't meant to be an advance.

The federal prosecutor, Marsh, wondered aloud Tuesday why it would be necessary for Kott to get an advance on flooring work to stay on his dad's campaign instead of just drawing a salary. Jurors saw documents that showed Rep. Kott's campaign finished with a \$15,000 surplus and the younger Kott did get paid \$3,000 from the campaign funds.

Marsh also asked him why he didn't just ask his father for money. He answered that he didn't want him to have to tap into his retirement fund.

Would it surprise him to know his father had enough money? Marsh asked. Kott first said it would surprise him a little, then said he was indifferent.

Earlier in his testimony, the younger Kott had tried to deflect the charge that Veco illegally paid Dittman Research \$2,750 to do a poll for his father's 2006 campaign.

He told jurors that neither he nor his father ever wanted the poll done. They did not ask for it and didn't pay for it.

"No polls. We do not believe in polls," he said.

Find Sean Cockerham at adn.com/contact/cockerham or call 257-4344. Find Lisa Demer at adn.com/contact/demer or call 257-4390.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-994

adn.com

Anchorage Daily News

Print Page

Close Window

Kott explains \$30,200 FBI found in his closet

'MY MONEY': He says he saved per diem checks and that \$7,993 from Bill Allen was a flooring job advance.

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 20, 2007)

When the FBI last summer searched the Juneau condo that then-state Rep. Pete Kott shared with his girlfriend, agents found more than \$30,000 in cash on the shelf in his closet, a prosecutor disclosed during questioning Wednesday in Kott's corruption trial.

That was the biggest revelation of the day in U.S. District Court and it came out when a defense witness -- Debora Stovern, Kott's long-time girlfriend -- was on the stand. She also talked about embroidering hats with Veco Corp.'s logo on the front and the initials "CBC" -- for Corrupt Bastards Club -- on the back.

The main witness Wednesday was Kott, the former Republican House Speaker from Eagle River. He took the stand in his own defense around 11:30 a.m., denying he took bribes and talking about his start in Alaska politics in 1992, the friendship he soon formed with Veco chief executive Bill Allen and his role in passing a new oil tax in 2006.

On the witness stand, Kott, wearing a dark suit, a red tie and glasses, came across as serious and hardworking. He seemed like a different man than the hard-drinking, crude-talking wheeler dealer who appears on secretly made recordings played by prosecutors earlier in the trial. On those tapes, he promises Veco executives time and again that he'd "get 'er done" on the oil field services company's behalf.

He is accused of conspiring with Allen, former Veco vice president Rick Smith and others to push through a new oil tax favored by Veco and North Slope oil producers. Allen and Smith have pleaded guilty to bribing Kott and three other legislators and are cooperating with the government.

In earlier testimony, Allen and Smith named Kott as one of the lawmakers they bribed.

As Kott testified Wednesday, Stovern, his daughter Pamela, and his daughter-in-law Cynthia listened from the front row, right behind the defense table.

THE MONEY IN THE CLOSET

Right off the bat Wednesday, Kott told jurors that the \$30,200 cash was his. It accumulated over 2



Former House speaker Pete Kott, center, leaves the Federal Building and U.S. Courthouse in Anchorage on Sept. 19, 2007, flanked by his attorney Jim Wendt, far left, his daughter Pam and his girlfriend Debora Stovern, right. Kott testified at his trial for bribery, extortion, fraud and conspiracy. (ERIK HILL / Anchorage Daily News)



An embroidered Veco hat with the initials CBC for "Corrupt Bastards Club" was entered into evidence in Kott's trial. ()

FBI - Stevens-995

1/2 years as he cashed the checks legislators receive for daily living expenses while in Juneau or otherwise working, he testified.

"Absolutely it was my money," Kott said.

He'd let the checks stack up, then take them to the bank and cash them, he said. Some of the money came from hardwood flooring jobs too. Kott and his son own Kott's Hardwood Flooring.

His defense lawyer, Jim Wendt of Anchorage, asked whether any of the \$30,000 came from Allen or Smith.

Kott hesitated for a moment. He said he wasn't sure whether some of the \$900 that Allen gave him one night in Suite 604 of Juneau's Baranof Hotel ended up in that stack. Allen counts out the money in one of the video recordings secretly made in the suite that served as Veco's Juneau headquarters.

Kott testified that the money was payback for a \$1,000 contribution he had just made maybe a couple of days before to then-Gov. Frank Murkowski's re-election campaign. But when Allen testified earlier in the trial, he said: "I just gave it to him."

Kott told jurors about growing up in Flint, Mich., the son of a General Motors plant supervisor. He started working the assembly line right after high school too, but after a couple of years enlisted in the Air Force. He married his children's mother in Taiwan. Their relationship is strained, Stovern told jurors. They haven't yet divorced.

His military career spanned the next 22 years and brought him to Alaska in 1984. He has a master's in public administration and started teaching political science classes at Wayland Baptist University. A student gave him the idea to run for the Eagle River House seat in 1992.

Early on, he met Allen through the late and powerful Rep. Ramona Barnes. She took Kott under her wing like a mother hen, calling him her nephew.

Allen and Kott hit it off, Kott told jurors. They both wanted to develop Alaska's natural resources; they both came up doing hard physical work.

"Hands on, just trying to scratch through. Obviously Bill scratched through a lot better than I did," Kott said.

And there was more.

"Bill was kind of by himself," Kott said. "We both had some of that in common."

Kott said he could drop in at Allen's house anytime and sometimes regretted it -- showing up when the older man was already in bed. He guessed he had been there 200 times.

Smith was a friend too, but not at the same level, Kott told jurors. He's only been to Smith's house in Anchorage a few times.

It was his girlfriend, Stovern, who began the day on the witness stand. She wore a cobalt blue dress and came across as friendly and at ease. She never seemed flustered, even under intense cross examination by prosecutor James Goeke.

Under questioning by defense attorney Wendt, Stovern said she met Kott about six years ago while
FBI - Stevens-996

attending legislative committee hearings as a state employee who worked in occupational licensing. About 3 1/2 or four years ago, he began living in her condominium whenever he was in Juneau.

She no longer works for the state. She handles the bookkeeping for Kott's Hardwood Flooring and works alongside Kott installing, sanding and finishing wood floors. She also filed the campaign finance reports for Kott's races in 2004 and 2006.

'CORRUPT BASTARDS CLUB'

Under cross examination, Stovern testified she made the highly publicized "Corrupt Bastards Club" hats seized by the FBI at the Juneau condo.

She embroidered 100 hats with the Veco logo on the front and added a CBC logo to the back of about a dozen.

Goeke asked what she told the FBI that the initials stood for when federal agents searched the apartment in 2006 and questioned her.

"I told them my understanding was this CBC, it was corporate bastards club or something like that. I told them my understanding it was a barroom joke made in response to some kind of opinion piece," Stovern said.

Did she mean "Corrupt Bastards Club?" Goeke asked. She said she did.

Stovern testified she was "very indignant" herself about the newspaper opinion piece, which said legislators who accepted Veco campaign contributions were being unduly influenced.

She said that she, Kott and Smith were joking about it in the bar at the Baranof Hotel in Juneau. Someone came up with the name "Corrupt Bastards Club" in jest, she said.

Federal prosecutors had a box full of the hats in court. They entered a red one into evidence as Exhibit 208.

Veco paid her \$900, or \$9 for each hat she embroidered. But she didn't make a lot, because the hats cost her \$3 each and she had to cover FedEx shipping, thread and other expenses. Kott delivered the hats to Smith, she told jurors.

A central issue in the trial concerns \$7,993 that Allen paid to Kott's Hardwood Flooring. Jurors now have heard three conflicting stories about it.

Kott and Stovern on Wednesday both told jurors that the \$7,993 payment was an advance for future flooring jobs for Allen and Smith.

Kott's son, Peter M. Kott, told jurors on Tuesday that the money was an advance for flooring work for Smith and a woman he identified as Sharon Durant. Neither Kott nor Stovern mentioned Durant. The younger Kott needed the advance so he could take time off from the flooring business and work on his dad's re-election campaign in 2006, he testified. Kott lost in the primary.

But both Allen and Smith testified that the money wasn't for future flooring work. It was intended solely to allow Kott's son to work on the campaign, they testified. Smith called the payment illegal.

Goeke asked Stovern if she would be surprised to learn Kott had \$30,200 in cash laying around. She said he did a lot of business in cash but didn't know he had that much.

FBI - Stevens-997

Goeke wondered why Kott wouldn't just have paid his son to be his campaign manager out of his own cash.

"The money was meant for living expenses," Stovern responded.

Another issue that came up Wednesday concerns a political poll for Kott's campaign in 2006 that Veco paid for. Kott told jurors he got no benefit from it.

Wendt introduced into evidence campaign literature dating back several elections to show Kott used the same themes for years. Kott told jurors he didn't change his strategy as a result of the poll, which showed him behind.

Kott continues testifying on Thursday. The case may go to the jury on Friday.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344.<

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-998

adn.com

Anchorage Daily News

Print Page

Close Window

Contractor: Worked for Stevens on Veco's dime**'SPECIAL PROJECTS': Ex-employee says jobs included Girdwood remodel and fundraiser help for U.S. senator.**By MATT APUZZO
The Associated Press*(Published: September 20, 2007)*

WASHINGTON -- A construction worker who oversaw renovation of Sen. Ted Stevens' home said his company also paid him to help run fundraisers for the Alaska Republican, a practice that appears to violate federal campaign finance laws.

Contractor Robert Williams is a key witness in a bribery investigation that stretches from Alaska to Capitol Hill and threatens legal and political headaches for the Senate's longest-serving Republican. The FBI is investigating whether Stevens received illegal gifts from Veco Corp., the once powerful Alaska oil contractor.

Williams said he was in charge of "special projects" for Veco ex-CEO Bill Allen, and the renovation of Stevens' home was one such project. Others included working three or four fundraisers for Stevens while on the clock with Veco. Federal elections laws prohibit candidates from accepting donations or free services from corporations.

Unlike other Veco employees, Williams did not itemize his time sheets with job codes so customers could be billed. When working on one of Allen's pet projects, Williams just logged his hours and Veco made sure he was paid.

"I never had any doubts about it until the FBI came down and served me with subpoenas," Williams said in a telephone interview with The Associated Press from his home in Alaska.

At fundraisers, including at least one at the home of Stevens' brother-in-law, Williams said he was assigned odd jobs. He delivered ice, arranged for table rental or oversaw the four or five Veco employees parking cars.

"If I didn't have parking patrol, I basically just had to be there to make sure nothing got messed up," Williams recalled.

CAMPAIGN FINANCES

Williams said he also helped run annual fundraising pig roasts for Rep. Don Young, another Alaska Republican who has come under scrutiny in the Veco investigation. The fundraisers were among many Williams said he worked on during his more than 13 years at Veco.

Stevens spokesman Aaron Saunders had no comment Wednesday. The senator has said he wants
FBI - Stevens-999



The media watches as authorities search the Girdwood home of Sen. Ted Stevens in July. Stevens knew from the beginning that an Alaska oil contractor was renovating his home, according to a construction worker who said his job duties ranged from installing the senator's hardwood floors to helping run his fundraisers on company time. (AL GRILLO / Associated Press archive 2007)

to avoid any suggestion he was trying to influence the investigation by discussing it publicly.

A spokesman for Young's office referred questions to his campaign spokesman, who did not immediately return a call.

Corporations are prohibited from donating to federal candidates and that includes providing services, said Kenneth A. Gross, a Washington campaign lawyer and former Federal Election Commission counsel.

"The company would have had to have been paid," Gross said.

Young recently amended his campaign finance reports to reflect \$38,000 in back payments to Allen for the fundraisers. A review of Stevens' campaign finance expenditures since 2000 revealed no payments to Veco or Allen for fundraising.

Robert K. Kelner, another elections attorney and former Republican National Committee lawyer, said the question is whether Stevens or his campaign workers knew the Veco employees were on the clock.

"Should a thoughtful candidate consider that possibility and look into it? Yes," Kelner said. "Do they have a legal obligation to be that thoughtful? No."

THE GIRDWOOD PROJECT

Fundraising and favors are at the heart of the corruption investigation, which has ensnared several Alaska legislators. Allen has pleaded guilty to bribing lawmakers and is cooperating with the FBI. He admitted in court last week that his employees provided "some labor" on Stevens' house in 2000, but Williams recalled the job in greater detail.

Williams remembered spending two or three days a week for about six months at Stevens' house, supervising workers and installing hardwood floors. He also recalled moving a truckload of furniture, including a bed and a rug, from Stevens' mother-in-law's house to the senator's home.

In May, house mover Toney Hannah told the Daily News that the Stevenses originally contacted him in 1999 about jacking up the Girdwood house in order to add a new first floor. He got the go-ahead the next summer from Bob Persons, a Stevens friend and owner of the Double Musky restaurant in Girdwood.

Hannah said the first carpenters did such poor work that he couldn't lower the house on their frame when he came back several weeks later. Another contractor, Augie Paone, was brought in to rescue the project.

Both Hannah and Paone said their bills, totaling more than \$100,000, were paid by check by the Stevenses. Both said the FBI asked for their business records.

A few other Veco employees helped on the job and Williams hired outside contractors. A garage was added, though Williams isn't sure how that idea came up.

UNSURE WHO WAS PAYING

Veco isn't in the residential construction business. But Williams said Allen often assigned him work for friends and family. Stevens and Allen are longtime friends, so Williams didn't think the renovation project was unusual.

FBI - Stevens-1000

Stevens met with workers and knew Veco was handling the job, Williams said, so he assumed the senator was reimbursing Veco for his time. Stevens has said he paid every bill he received for the house.

"Ted said he wanted to make sure everything is paid for," Williams recalled from an early meeting with Allen and Stevens.

He recalled Stevens and his wife paying for flooring and is certain the senator paid for at least some of the work. But because Williams didn't record his time at Stevens' house, he said nobody could know for sure how much his time cost.

At the time, he assumed that when he signed off on expenses and submitted them to Veco, the company would pass those bills on to Stevens. Now he's not so sure.

"I think Bill's ego got away from him," Williams said. "I think he did what he thought he could do."

Allen liked to do things his own way and wasn't fussy about separating business and friendship, Williams said: "Bill's personal life and the company were one and the same."

Williams testified about the house project before a federal grand jury in Anchorage. He couldn't remember the total cost of the renovation, but said the Justice Department seemed to already know more about the project than he did.

Investigators were "very thorough" and had numerous documents and bills associated with the house, he said.

"I thought everything was on the up and up," Williams said. "I'm disappointed with the way things turned out and I'm sorry for Ted."

[Print Page](#)[Close Window](#)

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-1001

adn.com

Anchorage Daily News

Print Page

Close Window

Prosecutors: Veco gave Kott \$5,000 to buy truck

(Published: September 20, 2007)

Former Rep. Pete Kott is being cross-examined by federal prosecutors in his corruption trial this afternoon. In a hearing early this afternoon with the jury out of the room, prosecutors argued that they should be able to ask the former House speaker about \$5,000 given to him by former Veco Corp. chief Bill Allen for a truck down payment. The judge ruled they can ask about it; Kott's defense maintains it was a loan.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-1002

adn.com

Anchorage Daily News

Print Page

Close Window

Kott says he stretched the truth with Veco executives

TESTIMONY: He did take money, defendant says, but not as bribes.

By LISA DEMER, SEAN COCKERHAM and TOM KIZZIA

Anchorage Daily News

(Published: September 21, 2007)

Former state Rep. Pete Kott apologized to jurors Thursday for his crude talk in secretly made FBI recordings, but he also conceded that he told Veco Corp. executives whatever they wanted to hear, even if it wasn't true.

On a day he made an emotional speech from the witness stand about his shattered legacy, other revelations spilled out, including that he changed his vote on a new oil tax at the last minute and took \$5,000 from former Veco executive Bill Allen as a truck loan that he never repaid.

But, Kott maintained, he never took bribes.

Kott finished testifying late in the afternoon after two grueling days on the stand in his federal corruption trial. While he seemed testy at times during aggressive cross-examination, he didn't lose his cool.

Gov. Sarah Palin quietly popped into the trial for about 10 minutes in the morning. Few seemed to spot her as she slipped into the back row during a little of Kott's testimony on oil taxes. Palin said she took the opportunity to check in during a fire drill in the governor's Anchorage office in the nearby Atwood building.

"This is one of the most important series of trials in Alaska history," Palin said after her courtroom visit.

TRIAL COMES AT GREAT COST, KOTT SAYS

Kott is being tried in U.S. District Court on charges of bribery, conspiracy, extortion and wire fraud. Veco executives Bill Allen and Rick Smith have pleaded guilty to bribing Kott and three other legislators in an effort to influence them on the tax measure in 2006.

Kott told jurors he had to go to trial because he believes he's not guilty, but that it's coming at great cost.

FBI - Stevens-1003

Jurors have seen videos from Suite 604 of the Baranof Hotel in Juneau and heard wiretapped telephone conversations in which Kott, often after drinking, plotted and cussed alongside Veco executives.

Will those videos and newspaper stories about his behavior be his legacy? defense lawyer Jim Wendt asked.

Kott, in the Legislature 14 years, including two as House speaker, choked up a bit during a monologue that lasted several minutes.

"Unfortunately, with all the things I believe I accomplished, the goals that I managed to reach, the legacy will be just that. I think people will forget about the good things and remember the bad things," Kott said.

The video recordings are "extremely embarrassing," Kott said.

"Certainly to the jury, I apologize for the vulgarity that has been presented to you in the course of this trial," Kott said. "It has been an embarrassment for myself and my family." His girlfriend and grown son and daughter sat in the front row behind the defense table.

The defense slogged through the legislative record in an attempt to portray Kott as a statesman who sometimes voted against the 20 percent tax favored by Veco to reach an oil-tax compromise.

But as Kott himself explained, the unfolding of such complex bills is a "cat-and-mouse game," with lawmakers sometimes voting yes for loathsome amendments hoping to kill a bill.

The Legislature approved a 22.5 percent tax, and Kott told the jury he considered it a good compromise. "We pretty much split the baby right in half," he said.

SPIRITED CROSS-EXAMINATION

The cross-examination by assistant U.S. attorney James Goeke was heated from the start.

Goeke came close to yelling as he shot off questions rapid-fire about Kott's vote. Wendt objected time and again. And U.S. District Judge John Sedwick told Goeke to slow down, be more patient and stop making speeches.

Prosecutors also dug deep into the legislative record during their cross-examination, trying to show that Kott voted against the 22.5 percent compromise three times on the last day, when the tax measure nearly died.

Even on the final vote, Kott was a "no," switching his vote to the "yes" side only after the tally showed the measure passing.

"You changed it once the writing was on the wall," Goeke thundered. "It's good you did it so you can tell the jury you voted for 22.5."

Kott's lawyer objected.

"There was no jury then to consider," he pointed out.

It was, Goeke noted, the last vote of Kott's legislative career. He lost in the Republican primary two weeks later.

FBI - Stevens-1004

The prosecutor seemed to be portraying Kott as a hold-out for 20 percent until the bitter end -- even when some oil industry lobbyists had started pushing for 22.5 percent in fear a more onerous tax might pass instead.

During his cross-examination, Goeke replayed two FBI recordings from the Veco suite.

"Where do you want to take this, Bill? I don't want to jeopardize the gas line but I'll stay on 20," Kott says on a May 8, 2006, recording from Suite 604. Allen testified earlier that oil producers wanted certainty on oil taxes before they would commit to a multibillion-dollar gas pipeline. "Vic

will be on 20 and Jay will be on 20 and Foster will be on 20. I don't know how many others will be on 20," Kott said on the recording, referring to Reps. Vic Kohring, Jay Ramras and Richard Foster.

"Tom Anderson," Smith, the former Veco vice president, chimes in with another lawmaker's name.

"Anderson will be on 20," Kott agreed.

Prosecutors also replayed an especially vulgar recording from late in the night of June 8, 2006. The men in Suite 604 spewed out f--- them repeatedly.

Goeke pressed Kott to explain why he assured Allen he'd fight for 20 percent if he was willing to go higher. Kott said he was misleading his Veco friends, choosing to "tell them what they want to hear."

That theme came up several times.

BERKOWITZ DID NOT HELP SWAY VOTE, KOTT SAYS

Wendt asked Kott to explain another secretly recorded conversation in which he boasts that he "outsmarted the fox" -- referring to then-House Minority Leader Ethan Berkowitz -- in order to get Berkowitz to persuade his fellow Democrats to vote the way Veco wanted.

Kott told jurors that he was just trying to impress Allen. He and Berkowitz had had a rational conversation on the House floor. Kott figured Allen was watching live on "Gavel to Gavel" television.

"I didn't want him to get the opinion I was just crawling in bed with the Democrats," Kott testified.

Kott said he also felt bad because he and Berkowitz had a good relationship for years and he had actually tried to deceive Berkowitz a little bit. He said Berkowitz was on his side back in 2005 when he attempted to regain the House speaker post through a coup. It failed.

That's why he talks in the recording about lying, cheating, stealing and selling his soul to the devil, Kott testified.

In reality, Berkowitz didn't do anything to help swing votes the way Veco wanted, Kott said, even though he told Allen that's what happened.

"I think I was trying to get some credit," he said.

At another point in his cross-examination, Goeke questioned Kott about a \$5,000 check from Allen that jurors hadn't heard about before Thursday.

FBI - Stevens-1005

Kott told jurors that Allen loaned him the \$5,000 in 2004 as a down payment on a new truck. He was supposed to pay Allen back once he paid off the truck.

But Goeke pointed out that on Aug. 31, 2006, when the FBI searched Kott's residence in Juneau, Kott told agents that he hadn't done so.

"That sounds like a gift to me," Goeke said.

Kott replied he and Allen had an agreement that Kott would pay the money back when the truck was paid off.

"It could also be characterized as a bribe," Goeke said.

"You can characterize it any way you want; it is not a bribe," Kott replied.

With a few more witnesses to go today, the case may not get to the jury until next week.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344. Find Tom Kizzia at adn.com/contact/tkizzia.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-1006

adn.com

Anchorage Daily News

Print Page

Close Window

Arguments end: Kott case handed to jury**IN CLOSING: Defense says Allen and Smith cannot be trusted; prosecutor says the evidence is "overwhelming."**

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 25, 2007)

Lawyers laid out two opposite views of former state Rep. Pete Kott Monday during their closing arguments to jurors in his federal public corruption trial: hardworking with a drinking problem or greedy and looking out for himself.

Defense lawyer Jim Wendt told jurors to think of Kott as a legislator who pushed hard for oil development and got himself into trouble by spouting off when he drank too much.

He especially puffed himself up to his friends from Veco Corp. in Suite 604 of Juneau's Baranof Hotel, Wendt said. The nickname for the suite that served as Veco's headquarters during the Legislature was Animal House, Wendt reminded jurors.

"I'll tell you what it was. It was a place for boasting and banter, fueled by alcohol," Wendt told jurors in U.S. District Court. "The government is resting its case on the Animal House as if what goes on there is somehow reliable."

Assistant U.S. Attorney James Goeke told jurors that Kott took bribes from Veco and was guilty of putting his own self-interest before that of his constituents. Kott is charged with four felonies: conspiracy, extortion, bribery and honest services wire fraud.

The prosecutor said the case was unusual because jurors were able to watch and listen as the alleged crimes took place.

"Through the hours and hours of electronic surveillance that you've heard in this courtroom over the past few weeks, you the members of the jury have been able to sit in a ringside seat," Goeke told jurors.

No one knew during 2005 and 2006 that the FBI had put a bug in Suite 604 and wiretaps on phones of Veco executives.

The defense reminded jurors that the government focused on only the worst out of hundreds of hours of video recordings and thousands of intercepted phone calls. Prosecutors took "little snippets" out of context, Wendt said.

But Goeke told jurors "the evidence in this case is overwhelming."

The courtroom was nearly full of FBI agents, other defense lawyers, legislators and aides, reporters and Kott's friends and family. The case went to the jury around 12:30 p.m. on the trial's 14th day.

Kott is a former Republican House speaker from Eagle River who served 14 years in the Legislature.

FBI - Stevens-1007

Bill Allen, former Veco chief executive, and Rick Smith, former Veco vice president, have pleaded guilty and were key witnesses for the prosecution, testifying that they bribed Kott.

U.S. District Judge John Sedwick told jurors that Allen and Smith's guilty pleas in themselves are not evidence that Kott did anything wrong. In fact, the testimony of both Allen and Smith should be considered with more caution than that of other witnesses, he told them.

Wendt told jurors that Smith and Allen will say whatever the government wants to save themselves. Neither has been sentenced.

The stakes in the oil tax debate were high. The Murkowski administration was pushing a new state oil tax, a first step toward a natural gas pipeline that could have been worth millions to Veco in construction contracts. Kott is accused of pushing a 20 percent tax favored by North Slope oil producers in exchange for money, a political poll and Veco's promise of a job.

LAWYERS SUMMARIZE THE EVIDENCE

Goeke walked jurors through carefully picked highlights from nearly five dozen audio and video recordings played during the trial.

In a Sept. 26, 2005, call between Kott and Smith, the legislator said he needed a job. "You got a job. Get us a pipeline," Smith responded.

Later, the prosecution played a series of video recordings from the night of May 7 and into the early morning of May 8, just after key votes on the oil tax. "I'd vote for a 30 percent tax if it wasn't for this guy here," Kott says in one, pointing to Allen.

And in a video secretly recorded on June 1, 2006, Allen counts out what he later testified was \$1,000 in cash for Kott. In another video from the same night, Allen asked Kott what he wanted to be. After joking about passing out beach towels in Barbados, where Veco was building a prison, Kott said he wanted to be a lobbyist. "Well, you will be," Allen tells him.

Allen later testified that Kott's job prospects with Veco all depended on him doing the right thing on the oil tax, Goeke reminded jurors.

During his closing, Wendt was frustrated at times by technical difficulties but forged ahead, focusing on a timeline displayed for jurors that included key votes.

Wendt emphasized that it was the defense, not the prosecution, who brought in two legislators to explain their dealings with Kott, which he said was better than relying on "some grainy tape" because they know what really happened.

The wire fraud charge, Wendt pointed out, is based on a single telephone conversation in which Kott assures Smith "you know where my allegiance is."

"Where is the plan or scheme in that telephone conversation?" Wendt asked.

Kott just wanted a gas pipeline, the same as Veco, but there was no criminal conspiracy, no intent to extort money from Allen or Veco, he said.

Others got so much more from Veco than Kott, Wendt said. Former Senate President Ben Stevens got hundreds of thousands of dollars in consulting work. U.S. Sen. Ted Stevens had his whole house redone with the help of Veco workers. Former Rep. Tom Anderson had Veco contracts too.

FBI - Stevens-1008

But Kott was working on his hands and knees doing flooring, Wendt said.

"Pete Kott never got anything," he said.

The last word came from prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section in Washington, D.C.

He told jurors that it made no sense to think that Kott got nothing from Veco. He received \$1,000 in cash, a check for \$7,993, a political poll that cost \$2,750 and the promise of a job, all from Veco, Marsh said.

Kott's defense, Marsh said, appears to be that what he said in 11 months of secretly made recordings are "either lies or they are not true or the rantings of an alcoholic."

Kott, Marsh told jurors, "tried to snooker you."

Jurors finished deliberations for the day at 4:30 p.m. They return today.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344.

VERDICT: Read about it first at adn.com or sign up to have it sent directly to your inbox at adn.com/newsletters.

Kott trial closing arguments at a glance

Prosecution

KOTT'S OWN WORDS: Assistant U.S. Attorney James Goeke replayed secretly made audio and video recordings. They included Kott talking to Veco executives about a possible job and asking Veco chief Bill Allen for instructions on the eve of the legislative session.

VECO TESTIMONY: Goeke said the testimony of Allen and former Veco executive Rick Smith, who are cooperating with the prosecution, matches what jurors heard on those FBI recordings.

OUTRAGE: Goeke hammered on the argument that Kott sold out the public trust by turning to Veco, instead of his Eagle River constituents, for direction on how to vote and act.

KOTT'S CREDIBILITY: Prosecutor Nicholas Marsh said Kott's explanations for his words and deeds made no sense. He "tried to snooker you," Marsh told the jury.

Defense

OUT OF CONTEXT. Kott's attorney, Jim Wendt, argued prosecutors plucked the worst statements out of hundreds of hours of video and thousands of intercepted phone conversation.

FBI - Stevens-1009

ANIMAL HOUSE. Wendt argued that Veco's Suite 604 at the Baranof Hotel in Juneau was known as the "Animal House," and was a "place for boasting and banter fueled by alcohol." Wendt said Kott loved and admired Veco head Allen and was just trying to impress him after drinking by saying things that weren't true.

HARD WORKER. The defense painted Kott as a hard-working man who did flooring jobs and didn't ask for handouts. He also worked hard trying to get a gas pipeline for Alaska, Wendt said.

LEGISLATORS' TESTIMONY. Wendt noted that Rep. Gabrielle LeDoux and ex-House Minority Leader Ethan Berkowitz testified that, despite what Kott told Veco executives, Kott didn't manipulate them to try and get the oil tax rate Veco wanted.

Compiled by Daily News reporters Sean Cockerham and Lisa Demer

[Print Page](#)

[Close Window](#)

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-1010

adn.com

Anchorage Daily News

Print Page

Close Window

Kott guilty on 3 counts; sentencing set Dec. 7

Former legislator likely faces four years or more in prison

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 26, 2007)

Former state Rep. Pete Kott, a 14-year veteran of the Legislature and one-time House speaker, was convicted Tuesday by a federal jury of conspiring with Veco Corp. executives to push an oil tax favored by industry.

Jurors convicted the Eagle River Republican of conspiracy, bribery and extortion. They acquitted him of a fourth felony charge, wire fraud, that was based on a single cell phone conversation that went across state lines.

As the verdicts were read around 3 p.m. on the trial's 15th day, Kott sat silent and still between his defense lawyers. He left the courtroom looking tired and drawn. He had little to say about the verdict.

"I'm disappointed," Kott said. He didn't want to talk about what's next for him or the specifics of how he thought his corruption trial went. "It came," he sighed. "It went."

Kott walked out of the Federal Building with his girlfriend, Debora Stovern, on one arm, daughter Pamela on the other and lawyer Jim Wendt just ahead. They faced a barrage of television cameras and reporters asking questions that Kott wouldn't answer.

Wendt said Kott almost surely would appeal. He and his co-counsel, Meg Simonian, hadn't worked out all the potential grounds but he suggested the instructions the judge gave the jury could be one factor. "The jury instructions were a little ambiguous regarding the bribery and extortion charges," Wendt said.

Then Kott's group piled into a Dodge truck and drove away. 'deal-maker,' prosecutors said

During the trial, prosecutors Nicholas Marsh and James Goeke portrayed Kott as a deal-maker who plotted with former Veco executives Bill Allen and Rick Smith to secure the oil tax rate sought by North Slope oil producers during the 2006 regular session and special sessions that summer. They played nearly five dozen secretly made recordings during the trial.



Former Rep. Pete Kott of Eagle River leaves the U.S. Courthouse in Anchorage with his daughter Pamela, left, and his girlfriend Debora Stovern, right, after a federal jury returned guilty verdicts on charges of bribery, conspiracy and extortion Tuesday Sept. 25, 2007. (BILL ROTH / Anchorage Daily News)



Former Rep. Pete Kott leaves the U.S. courthouse in Anchorage on Tuesday, September 25, 2007, after a jury returned guilty verdicts on three of four corruption charges. Kott was found guilty of bribery, conspiracy and extortion. Jurors found him not guilty on one count of wire fraud. (BILL ROTH / Anchorage Daily News)

FBI - Stevens-1011

The defense painted Kott as a hard worker with a drinking problem, an Air Force veteran, a man who got on his hands and knees laying hardwood floors but who didn't ask his wealthy friends at Veco for handouts.

This is the second victory for prosecutors in the ongoing public corruption investigation, and the first involving oil field services contractor Veco. The company was sold to Denver-based CH2M Hill just before the trial.

Deliberations began at 12:30 p.m. Monday. Most of the jurors seemed "gung-ho" and ready to convict Kott that same day on at least a couple of charges, said Donna Riley, juror No. 1. She wanted to slow things down and sent the judge a note first thing Tuesday saying she had felt pressured the day before.

"And I'm like, man, you guys need to go over it," Riley said after the verdict. "I need to understand. This is someone's life, you know? I need to make sure I understand everything about it to have a clear conscience."

Jurors were talking over each other on Monday when they finally got a chance to say what they thought after more than two weeks of trial, said juror Susan Pollard. By Tuesday morning, the jurors went out of their way to "cool it" and make sure Riley was included, juror Dale Hartzler said.

Riley, a custodial worker at Stevens International Airport, said she related to Kott since both do physical labor. She was moved, too, by a speech he gave on the witness stand.

"It kind of got to me when he said he was embarrassed and felt bad ... for his family," Riley said.

The defense was "trying for any emotional leverage they could get," Pollard said.

In the end, what struck Riley as particularly important: the testimony and recordings about the promise of a job to Kott and the financial rewards, especially the inflated flooring invoice through which Veco executives funneled \$7,993 to Kott.

She said she went home Monday night and prayed on what to do. By Tuesday, the situation in the jury room was calmer, she said. Their decision was the right one, she said.

Pollard, a former contract manager for the federal government, said it was Kott's own testimony on the stand that left the biggest mark. Kott tried to explain to jurors that he just was telling Allen and Smith what they wanted to hear when he told them he'd push the tax rate they wanted.

Kott was saying 'I'll lie to my friends but I do have my principles,' " Pollard said. "How can you believe anything he says after that?" As to the inflated flooring invoice, she said she was very skeptical of the defense story that the money was for future flooring work. Why were invoices created by Stovern, Kott's girlfriend, bookkeeper and a defense witness, after the fact? Why did none mention future flooring work?

Juror Hartzler said his vote to convict was a no-brainer given the evidence. Kott and his defense team couldn't blunt the FBI audio and video, he said.

The defense didn't ring true, said Hartzler, a systems analyst for Alaska Communications Systems. He said the whole tenor of the defense was just "flying in the face of the intercepts" recorded by

FBI - Stevens-1012



Former Alaska state lawmaker Pete Kott, back center, walks past reporters at the federal court building in Anchorage Sept. 25, 2007, with his daughter, Pam Kott, back left, and Debora Stovern, back right, and Kott's attorney, Jim Wendt, front center, after Kott was convicted of conspiracy to solicit financial benefits, extortion and bribery. (AL GRILLO / The Associated Press)

the FBI. He gave the example of Kott's son, who was also his campaign manager, claiming on the witness stand that the campaign didn't use political polls. The defense was trying to refute the charge that Kott received a poll illegally paid for by Veco.

Hartzler said the defense claim was contradicted by a recording of Kott talking about the poll with a Veco executive, as well as poll questions the FBI found on a computer device at Kott's residence. As for the drinking, Kott didn't seem drunk in all of the late night recordings. Hartzler pointed to one in which Kott told Veco chief Allen that he wanted to be a lobbyist. It just seemed like a real, casual conversation, he said.

The evidence on the wire fraud charge just was too thin to support a conviction, Pollard said. It was based on a March 10, 2006, cell phone call that Kott made from Washington, D.C., to Smith. Kott, who was having drinks with a Marathon Oil lobbyist, told Smith he wanted to "take care of Marathon in this deal." But Smith said that Marathon had dumped Veco as a maintenance contractor. "You know where my allegiance is," Kott told Smith.

The verdicts come just before next month's special session on oil taxes called by Gov. Sarah Palin. "I am more committed than ever to seeking a fair, untainted solution to our petroleum tax system," the governor said in a written statement.

The evidence was compelling, said state Sen. Fred Dyson, R-Eagle River, who helped the FBI in its investigation and sat in on much of the trial. The recordings of people laughing and swearing about "jerking the public process around" generate a gut level impact.

Kott is likely facing more than four years in prison, according to what prosecutors have estimated under sentencing guidelines. But he could be looking at even more time, as much as 612 years, if the judge determines he did not testify truthfully and obstructed justice, said prosecutor Joe Bottini, who didn't try the case but sat in on much of it. He is part of a four-person team of federal prosecutors handling Alaska public corruption cases.

U.S. District Judge John Sedwick set sentencing for Dec. 7.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344.

Print Page

Close Window

Feds eye Stevens' home remodel -**GIRDWOOD: Veco approved some invoices for 2000 upgrade at senator's house, says builder.***Anchorage Daily News (AK)**May 29, 2007**Author: RICHARD MAUER**Anchorage Daily News**Staff**Estimated printed pages: 8*

The FBI and a federal grand jury have been investigating an extensive remodeling project at U.S. Sen. Ted Stevens' home in Girdwood that involved the top executive of Veco Corp. in the hiring of at least one of the key contractors.

Three contractors who worked on the project said in recent interviews with the Daily News that the FBI asked them to turn over their records from the job. One said he was called to testify about the project before a federal grand jury in Anchorage in December.

The remodeling work, which more than doubled the size of the house, occurred in the summer and fall of 2000. The four-bedroom home, about two blocks from the day lodge parking lot at the Alyeska ski resort, is Stevens' official residence in Alaska.

An old friend of Stevens in Girdwood, longtime Double Musky restaurant owner Bob Persons, has been questioned by the FBI about the project. He monitored the remodeling for Stevens and his wife while they were in Washington, D.C.

"I will be testifying. That's all I can tell you," Persons said in a brief interview last week. "It is an ongoing investigation that I'm not supposed to talk to or see anybody about it."

Persons would not elaborate on whether he meant that he would testify before a grand jury, at a trial, or both, or for whom. He said he believed Stevens did nothing wrong.

Ted Stevens and his wife, Catherine, declined to answer questions about the Girdwood house. In a prepared statement issued by his office, Stevens said: "While I understand the public's interest in the ongoing federal investigation, it has been my long-standing policy to not comment on such matters. Therefore, I will withhold comment at this time to avoid even the appearance that I might influence this investigation."

The FBI and the U.S. Justice Department's Public Integrity Section, which are in the midst of a broad investigation of corruption in Alaska, would not comment.

"This is a pending investigation and we're just not going to confirm or deny any aspect, any rumors, any allegations out there," said FBI spokesman Eric Gonzalez.

INQUIRY SURFACES

Ted Stevens, the most senior Republican in the U.S. Senate and Alaska's most famous political figure, has not been directly connected with the corruption investigation.

The wide-ranging federal inquiry surfaced in August when agents raided six legislative offices, including those of then-Senate President Ben Stevens, one of Ted Stevens' sons. The FBI said at the time that it also had executed a search warrant in Girdwood, among other places, although the location of that search has never been officially disclosed.

FBI - Stevens-1014

Veco, an oil-field service company that has long been a strong lobbying presence in Juneau, was one of the early targets of the agents, according to some of the search warrants that became public. On May 7, the company's longtime chief executive, Bill Allen, and a vice president, Rick Smith, pleaded guilty to federal conspiracy, bribery and tax charges. They are now cooperating with authorities.

The investigation spread to the commercial fishing industry, including Ben Stevens' consulting clients and associates. Federal subpoenas served on fishing companies in Seattle last year sought records concerning both Ben and Ted Stevens.

Four current or former Alaska state lawmakers have been indicted and are awaiting trial on corruption charges, and an Anchorage lobbyist has pleaded guilty to federal corruption charges.

Ben Stevens has not been charged. But the charges pleaded to by Allen and Smith alleged Ben Stevens improperly accepted \$242,000 from Veco for "giving advice, lobbying colleagues, and taking official acts in matters before the legislature."

How the Girdwood home fits in with the broader investigation, or what possible crimes are being investigated, is not clear. There was a brief, unexplained reference to residential remodeling in the government's statement of facts that accompanied Allen's and Smith's guilty pleas. The sentence, preceded by a listing of a dozen Veco-related enterprises around the world, said: "Veco was not in the business of residential construction or remodeling."

Asked whether that line related to the construction at Stevens' Girdwood home, Persons first said, "I'm sure it does." When pressed, he said he wasn't certain.

WHERE THE BILLS WENT

Augie Paone, owner of Christensen Builders Inc. of Anchorage, said in a recent interview that it was Bill Allen who hired him to complete the framing and most of the interior carpentry at Stevens' home. Before he could send a bill to Stevens for work in progress, he was directed to provide it first to Veco, where someone would examine it for accuracy, he said. When Veco approved the invoice, he would fax it to the Stevenses in Washington, he said.

Paone said that as far as he knew, Stevens and his wife, Catherine, paid his bills themselves. He said he sent at least \$100,000 in invoices to the Stevenses in Washington. They paid him from what he said appeared to be a checking account opened for the project. The checks, imprinted with the couple's names, had single- and double-digit serial numbers, he said.

According to Paone and other contractors, the renovation involved a technique often used with older dwellings in Girdwood -- jacking up a single-story house, building another floor on the original foundation or pilings, then lowering the original structure onto the new one. The result is a two-story home.

City and state records show the Stevens home was originally built in 1971. Catherine and Ted Stevens purchased it in August 1983. Plans show the house had two bedrooms, a living room, a kitchen and a single bath before the 2000 expansion.

Toney Hannah, a house mover from Anchorage, said he had initial discussions about a jack-up project with Ted and Catherine Stevens in 1999 but didn't hear any more about it until the next summer.

On July 26, 2000, Stevens faxed a letter to Anchorage building safety officials, saying Persons had authority to act in his and Catherine's name "in regard to construction at my house in Girdwood."

Stevens often relied on Persons to look after his Girdwood residence, according to Stevens' long-term neighbor there, Julie Peterson. She said she would call Persons if she saw a problem at the house.

Stevens and Persons also have a business relationship. Persons is the managing partner of Alaska's Great Eagle LLC, a racehorse-owning partnership that includes Stevens, Bill Allen and Allen's son Mark, along with several other Alaska businessmen.

On July 31, 2000, Persons obtained an Anchorage land-use permit for the Stevens remodeling. He listed the value of construction as \$84,873 -- much less than the actual total turned out to be.

Most of the tradesmen who worked on the project couldn't be identified to answer questions from the Daily News about how they were hired, paid and supervised. While Girdwood is within the Anchorage municipality, its local building rules are more lax. With no inspections required, city building records don't name the electrician, plumber, furnace installer or others who may have worked on the project.

FBI - Stevens-1015

Hannah, the house mover, was found because Persons originally listed him in the permit file as the contractor.

Hannah said Persons contacted him in July or August 2000 to start the project. His crew jacked up the home. Hannah said Persons seemed to be in a hurry to get the job done.

A framing crew went to work on the first floor. But Hannah said that when he returned to Girdwood to lower the house, the framing was unacceptable, forcing him to delay the next phase. He said he didn't know who did the faulty carpentry.

Paone said he was called in late that summer to rescue the project.

"Bill Allen and some of the Veco boys, some of the Veco guys, were the ones that approached me and wanted to know if I could give them a hand," Paone said. "I did it more as a favor, you know. It's one of those things when somebody is the head, and packs that much power and asks you for a favor, it's kind of hard to say no."

JUST IN CASE

Paone said his name was on file at Veco because he had worked as a carpenter remodeling a Veco office building in Anchorage several years before. He had also remodeled the basement of the home of Veco's chief financial officer, Roger Chan. Chan and Allen both asked him to work on Stevens' home, he said.

Chan didn't return a phone call seeking comment and Veco's lawyer, Amy Menard, said the company's agreement to cooperate with federal authorities barred her and officials from talking.

Like Hannah, Paone said he didn't know who botched the framing.

"My understanding is that there was just a bunch of guys trying to do it on a weekend basis, and mostly they were friends of the senator's or something," he said. "But they didn't know what they were doing and they were so far behind that there was absolutely no way they could have completed it by late October, early November," he said.

Paone took over the framing and completed the interior walls, some of the cabinetry in the kitchen, the insulation and painting. He purchased the supplies and sent invoices for materials and labor to Stevens.

Paone said he couldn't recall the names of other tradesmen who worked on the project -- electricians, plumbers and a mechanical contractor who installed a new gas furnace and the forced-air heating system. A neighbor said someone brought over a crane to hoist Stevens' barbecue grill to the second floor deck. Another neighbor said a cherry picker showed up to install decorative lights on the eaves.

Paone said that by the time he finished his work in late October or early November, he had sent Stevens more than \$100,000 in invoices for his own work.

Paone said he charged normal rates but was uncomfortable with the arrangements because he hadn't provided an estimate before starting the work. He said he protected himself by retaining all the records on the project.

"I didn't suspect anything, but I just wanted to make sure," he said. "When you work with a house of a legislator or a senator, you make sure you hold on to all the billings, just in case something happens."

Current city property records show the 10-room home contains 2,471 square feet of living space. With its quarter-acre lot, its assessed value for 2007 is \$440,900.

'A VERY SAD SITUATION'

Last year, some six years after the project was completed, Paone said, "the FBI came over to me and I gave them all the paperwork I had on it." When he was questioned by the FBI, he said, agents seemed particularly interested in Veco and its officials. The government already had copies of most of his invoices on the Stevens home, having obtained them from Veco files, he said.

Paone said he followed that up by testifying before a federal grand jury in December.

About a year ago, Hannah, the house mover, came to work at his yard in South Anchorage and found an FBI agent's card on his office door, he said. When he called the agent, he was told the government was going to subpoena his records on the project. He said he sent his father downtown with all the files. He hasn't gotten them back, he said.

FBI - Stevens-1016

He said Catherine Stevens had paid his bill with a check, but he said it happened too long ago to remember details.

The contractor who did earth-moving for the project, Bob Redmond of Girdwood, also provided his records to the FBI, according to Jean Redmond, his stepmother. She also said the bills were paid by Stevens.

Paone said that as far as he knows, Stevens paid every invoice sent to him.

"Now, I'm not sure if everything was given to him," Paone said. "It's just that he was never around. He didn't know what was going on. My personal opinion is that if he got something for nothing, he absolutely didn't know about it."

Persons, of the Double Musky, said he believes Stevens has done nothing wrong, though he was unable to say what he knows.

"It's a very sad situation," he said during the brief interview outside a bank in South Anchorage. "I have to tell you that my attorneys have told me not to talk to anyone. And I can't even talk to my friends. Anybody. I can't talk to anybody."

Persons said he didn't think he was in any legal trouble.

"I don't know why I would be," he said.

"To me, it's a tragic situation," Persons added. "I don't think Sen. Stevens has done anything wrong and I don't know what's going on. I think it's a witch hunt."

Contact reporter Richard Mauer at 257-4345 or at rmauer@adn.com.

Caption:

MARC LESTER / Anchorage Daily News

Stevens' Girdwood house was jacked up and had a new story built underneath the original one. Its assessed value now is \$440,900.

Bill Allen, the former CEO of oil-field service company Veco, pleaded guilty May 7 to federal bribery, conspiracy and tax charges.

MARC LESTER / Daily News archive 2000

Ted Stevens and his wife, Catherine, attended the renaming of Ted Stevens Anchorage International Airport in July 2000. The house was about to be renovated.

BILL ROTH / Daily News archive 2001

Deanna and Bob Persons are longtime owners of the Double Musky Inn. Bob Persons acted on Stevens' behalf during the work.

Caption:

FBI - Stevens-1017

adn.com

Anchorage Daily News

Print Page

Close Window

Veco case may spark charges from state

CRIMINAL AND CIVIL: Attorney general has ordered investigations.

By LISA DEMER

Anchorage Daily News

(Published: May 9, 2007)

The state plans to investigate whether Veco Corp. and its officials have violated Alaska law in light of guilty pleas in federal court by two company officials.

Attorney General Talis Colberg on Tuesday directed state lawyers to begin criminal and civil investigations into Veco and related parties. Company chief executive officer Bill Allen and a vice president pleaded guilty Monday to the federal charges of bribery and conspiracy.

Colberg told state lawyers to look into issues not addressed by the federal case. The Alaska Public Offices Commission also is looking into possible violations.

In another development, Gov. Sarah Palin urged indicted state Rep. Vic Kohring, R-Wasilla, to consider stepping down. The governor said it wasn't in her power to demand that he resign but said he should think about it.



Allen ()

"There is certainly a cloud over the seat he represents right now and, with so much on his plate in terms of the need to defend himself, I think he has got to consider that. That's my personal opinion," Palin said.

Palin also removed Allen from a council created to foster cooperation with Alberta, Canada, in areas such as transportation, Native issues, and trade and investment. She said it was inappropriate for him to serve the state.

As for Kohring, he said he's staying in the Legislature.

"I do not feel I would serve the best interest of my constituents by walking away at this time," Kohring said in a written statement. "The House leadership has made a decision regarding my committee chair position, but also made it very clear they expect to see me working in my capacity as a legislator."

After being indicted, Kohring was stripped of his chairmanship of the House Special Committee on Oil & Gas.

Kohring and former Reps. Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau, were arrested Friday on multiple charges springing from an FBI investigation into corruption in the Alaska Legislature. All were released and vowed to fight the charges.

The three legislators are accused of doing Veco's bidding in exchange for money or other benefits.

Kohring said his situation was not like that of Jim Hayes, who first refused demands by Palin that he resign from the state Board of Regents after being indicted on multiple federal counts.

While university regents are appointed by the governor, legislators are elected by the people, Kohring said in his statement. Hayes, facing possible impeachment, eventually resigned.

FBI - Stevens-1018

If his defense "prevents him from effectively doing his job," Kohring will reconsider, his statement said.

In court Monday, Allen and Veco vice president Rick Smith admitted being part of a conspiracy in which they bought lawmakers' votes for an oil production tax favored by the oil industry. Over five years, they made more than \$400,000 in illegal payments to four legislators or their families.

Allen also approved a scheme in which Smith directed Veco executives to make campaign contributions to primarily Republican candidates. The executives knew they would receive a "special bonus" to cover the amount. It was Smith's job to figure out how big a phony bonus each would need, prosecutors said in court filings.

In the last two-year election cycle alone, at least six Veco executives each donated \$24,000 or more to various Alaska candidates and the Republican Party, according to a database run by the National Institute on Money in State Politics or followthemoney.org.

Allen alone donated more than \$30,000 over the two years, according to the institute. So did Veco president Pete Leathard and chief financial officer Roger Chan. Smith donated nearly \$25,000. And that's just one election cycle.

Brooke Miles, APOC executive director, said her staff saw the enormous contributions from Veco officials but couldn't document illegal behavior. They didn't know about the special bonuses.

"Some of that would be beyond the auditing skills of an agency such as this," Miles said.

Veco has run afoul of campaign finance laws before. In 1985, the company was fined more than \$72,000 -- later reduced to \$28,000 -- for a scheme that funneled secret donations to a slate of candidates through an employee payroll deduction plan.

Miles said the public offices commission will consider at its June meeting how to proceed with the new information revealed in the federal charges.

Changes to the campaign finance laws in 2003 limit the possibilities, she said. For instance, a complaint must be filed within a year.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390. Sabra Ayers contributed to this story.

Print Page

Close Window

FBI - Stevens-1019

Copyright © 2007 The Anchorage Daily News (www.adn.com)

[<<Back](#)



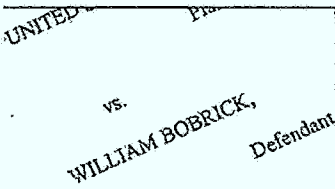
Bobrick third player to plead guilty in federal corruption probe



by Jill Burke
Wednesday, May 16, 2007

Under Bill Bobrick's plea agreement with federal prosecutors he faces up to five years in prison. (KTUU-TV)

ANCHORAGE -- In a deal cut with prosecutors, Anchorage lobbyist Bill Bobrick pleaded guilty to a federal bribery charge this morning, admitting to his role in a scheme that involved bribing former Representative Tom Anderson, R-Anchorage.



Bobrick admits funneling thousands of dollars to Anderson in order to gain legislative access and help for a prison firm Bobrick worked for.

Bobrick is the seventh person to be publicly charged in the ever-widening corruption probe led by prosecutors from Washington, D.C. Three of the seven have entered guilty pleas: Bobrick, along with Bill Allen and Rick Smith of oil-services company VECO Corp. The current and former lawmakers implicated in the corruption probe all maintain their innocence.

According to his attorney, Douglas Pope, Bobrick has been cooperating with prosecutors in the case against former Anchorage Rep. Tom Anderson. (KTUU-TV)

And in this case it is again the lobbyist and not the lawmaker who is taking a deal.



Dan Sullivan, Anchorage Assembly member and Ethics Committee chairman (KTUU-TV)

Federal prosecutors say Anderson and Bobrick, who has long been one of the city's most powerful lobbyists, were in on the scheme together, yet only Bobrick admits his guilt.

Douglas Pope, who is representing Bobrick, says his client deeply regrets his crimes.

"He's deeply remorseful ... but he's trying to do the right thing by cooperating with the United States in the Anderson case," said Pope.



Sullivan said it had been uncomfortable and inappropriate for Bobrick to continue lobbying lawmakers in light of his unethical behavior. (KTUU-TV)

In the plea deal, Bobrick admits creating a shell company to funnel the funds to Anderson. On paper, it was a Web site for political articles; in reality, it was a way to pay Anderson undetected.

"(Anderson) doesn't have to report any of my clients," Bobrick unknowingly told an FBI informant, "just the money that he gets paid by a company that he writes the column for."

This admission was included in evidence collected by the FBI from surveillance of Bobrick and Anderson.

Bobrick only knew the informant as an associate of a company that builds prisons and halfway houses -- the same company that needed Anderson's help to push some projects through the Legislature.

FBI - Stevens-1020



Rep. Tom Anderson was indicted late last year for taking bribes from Bobrick in exchange for muscling legislation through the House. (Courtesy photo)

While the prison company is unnamed in both Anderson's indictment and Bobrick's charging and plea documents, sources tell Channel 2 News it is the Texas-based Cornell Corp., which runs halfway houses in Alaska.

Prosecutors allege at a November 2004 public hearing on a proposed prison project, Anderson spoke on behalf of the project and identified himself as a lawmaker -- specifically as the chairman of the Legislature's Regulatory Review Committee -- but never revealed he was working on behalf of one of the companies involved.

One month later, Bobrick paid \$4,000 to a company Anderson owned.

Dan Sullivan, a member of the Anchorage Assembly and chairman of its Ethics Committee, said Bobrick's continued presence at Assembly meetings was inappropriate.

"It was very uncomfortable for us to have him still influencing public officials on behalf of clients when we were aware of what the activities were before," Sullivan said.

Bobrick has continued lobbying city lawmakers since the allegations against him came to light late last year in the Anderson indictment, and his legal woes had not prevented clients from calling.

Five clients signed him on to lobby their interests before the Assembly this year, but now it appears at least some of them are signing off, including P.O.B. Montgomery, the developer building the new Glenn Square Mall, and the Cook Inlet Housing Authority.

"Bill Bobrick is no longer working on any of our accounts," said David Irwin, president of P.O.B. Montgomery. "We obviously made that decision based on where this investigation is now heading into this phase."

Irwin added he found no evidence of unethical dealings between his company, the city and Bobrick.

But there is also momentum in the Assembly to make sure any lobbyist with tainted credibility doesn't come around.

"You engage in that kind of conduct -- we don't want you in Assembly chambers. We don't want you in city hall. We don't want you influencing local public officials. We need to be held to a high standard," Sullivan said.

Bobrick could receive a five-year sentence, but because he has been helpful prosecutors are recommending a lighter sentence between two and two and a half years. Sentencing won't take place for 6 months.

Prosecutors say he took a total of \$24,000 on behalf of the prisons company and passed more than \$10,000 on to Anderson.

Contact Reporter Jill Burke at jburke@ktuu.com
Reporter Jason Moore contributed to this story.

FBI - Stevens-1021



adn.com

Anchorage Daily News

Print Page

Close Window

Alaska's governor tops the approval rating charts

89-93 POLL RATINGS: Palin has pleased most voters by sticking to her promises.

By SABRA AYRES

Anchorage Daily News

(Published: May 30, 2007)

JUNEAU -- With the latest poll showing her approval rating at 89 percent, Gov. Sarah Palin may now be the most popular governor in the nation.

A recent public opinion poll taken by Ivan Moore Research showed both Republicans and Democrats in favor of the state's first female governor. The poll comes just two weeks after a separate poll taken by Dittman Research gave Palin a 93 percent approval rating.

While political polling numbers can fluctuate week to week, Palin's numbers have consistently been extremely high, putting her near or at the top among the nation's governors, according to Jennifer Duffy, an analyst at the Cook Political Report, a Washington, D.C.-based research group that closely follows state politics.

"She is only the 14th person in the nation to take out an incumbent governor in a primary. That's about the hardest thing you can do in politics, so she was starting from a good point," Duffy said.

Palin beat then-Gov. Frank Murkowski in last August's Republican primary before winning the general election in November.

"In a lot of ways that was the race, so she started in a good position," Duffy said.

The Ivan Moore poll surveyed 500 people throughout the state on the governor's performance as well as her Alaska Gasline Inducement Act. Fifty percent of those asked said they thought Palin's gas line law would increase the chances of a North Slope pipeline getting built to transport natural gas to the Lower 48. Twenty-one percent of respondents said the gas line law was flawed.

Only 5 percent of those asked said they thought negatively about Palin's work in her six months as governor.

Analysts said Palin's high ratings stem from making good on campaign promises such as getting the gas pipeline legislation passed and promoting a more open government.

FBI - Stevens-1022

"She's managed to communicate well with Alaskans, and that's what popularity is all about," said Randy Ruedrich, the head of the state Republican Party.

The political scandal that erupted this month involving executives from Veco Corp. may have kept her ratings high, said Larry Sabato, a political scientist with the Center for Politics at the University of Virginia.

Veco's chief executive, Bill Allen, and its vice president, Rick Smith, both pleaded guilty on May 7 to charges of federal conspiracy and bribery. They have since resigned from their jobs.

Three current or former Alaska state lawmakers have been indicted on bribery, extortion and conspiracy charges in the case. Another former legislator was indicted in a separate bribery case.

"She's a woman, anti-establishment and anti-corruption at a time when Alaska is thoroughly embarrassed by the degree of corruption that has been seen by the FBI investigation into lobbyists, business executives and state legislators," Sabato said. "People view her as breath of fresh air."

Palin's ratings in the 80s and 90s are unique but probably unsustainable in the long run, Sabato said.

"You can't please 80 to 90 percent of the people all the time," he said.

Sabato predicted Palin's numbers would fall when she is forced to make her first big, controversial decision.

Palin has in the past dismissed political opinion polls, saying she doesn't rely on them as a gauge of true popular opinion or to get her job done.

Still, her popularity makes it easier to push her agenda, as it was the case with her pipeline bill, AGIA, said David Dittman of the Anchorage research and polling group Dittman Research. Her agenda is also making her more popular, he said.

"People liked the idea of competitiveness, of an open process and not having a pipeline monopoly. They like her, and they like AGIA. So it worked both ways," he said.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-1023

PUBLIC OPINION SURVEY

IVAN MOORE RESEARCH

TEL: 278-4600

Hello, my name is _____ and I'm calling for Ivan Moore Research, an Alaska public opinion research firm. We're conducting a public opinion survey today that should take just a few minutes. Your opinions are important to us, and we'd appreciate your participation if that's OK with you, and of course your responses will be completely confidential.

S1. Is this a residential telephone?

IF "YES", CONTINUE...

IF "NO", TERMINATE...

S2. Are you registered to vote in the state of Alaska?

IF "YES", CONTINUE...

IF "NO", ASK FOR REGISTERED VOTER...

1. I'm first going to read you the names of some public figures, groups and organizations. Please tell me whether your feelings towards them are very positive, somewhat positive, somewhat negative or very negative, or if you have never heard of them?

4	3	2	1	0	WHO?
VERY	SOMEWHAT		SOMEWHAT	VERY	
POSITIVE	POSITIVE	NEUTRAL	NEGATIVE	NEGATIVE	

Sarah Palin:

SARAH PALIN'S RATING:		
	Count	%
Very positive	256	50.3%
Somewhat positive	199	39.0%
Neutral	30	6.0%
Somewhat negative	20	3.9%
Very negative	4	.8%

Mean = 3.341

2. What is your opinion on the Alaska Gasline Inducement Act, or AGIA? Do you think it is a good law that increases the chances of a gasline being built, or do you think it is flawed and will reduce the prospects for a gasline?

OPINION OF AGIA:		
	Count	%
Good law	253	49.7%
Flawed	107	21.1%
Not sure	149	29.2%

FBI - Stevens-1024

The following questions are for statistical purposes only.

3. What is your registered party affiliation?

PARTY AFFILIATION:		
	Count	%
Democrat	88	17.2%
Republican	169	33.1%
Other/No party	253	49.7%

4. When it comes to politics, do you consider yourself to be a conservative, a moderate or a progressive?

POLITICAL IDEOLOGY:		
	Count	%
Conservative	211	41.5%
Moderate	211	41.5%
Progressive	87	17.0%

5. In what year were you born?

AGE OF RESPONDENT:		
	Count	%
18-49	171	34.2%
50-58	163	32.7%
59+	165	33.1%

Mean = 53.7 years

6. Of the people living in your household, how many are children or adolescents aged 18 or under?

NUMBER OF CHILDREN:		
	Count	%
None	331	65.5%
One or more	175	34.5%

7. Are you married or single?

MARITAL STATUS:		
	Count	%
Married	392	77.0%
Single	117	23.0%

FBI - Stevens-1025

8. GENDER...

GENDER OF RESPONDENT:		
	Count	%
Male	255	50.0%
Female	255	50.0%

That completes the survey. I have a telephone number for Ivan Moore Research that you can call with any comments, compliments or complaints. Would you like the number? (278-4600)

Thank you very much for your help. Goodbye.

THE FOLLOWING AREA VARIABLE WAS COMPUTED USING THE TELEPHONE PREFIX:

AREAS OF ALASKA:		
	Count	%
Southeast	65	12.8%
Rural Alaska	54	10.6%
MatSu-Kenai-Valdez	104	20.5%
Anchorage	211	41.5%
Fairbanks	74	14.6%

THE FOLLOWING MARITAL BY GENDER VARIABLE WAS COMPUTED USING MEASURED DATA:

MARITAL STATUS BY GENDER:		
	Count	%
Married males	196	38.5%
Married females	196	38.5%
Single males	59	11.5%
Single females	58	11.5%

FBI - Stevens-1026

	SARAH PALIN'S RATING:			Total
	Positive	Negative	Neutral	Col %
	Row %	Row %	Row %	
PARTY AFFILIATION:				
Democrat	79.1%	9.9%	11.1%	17.2%
Republican	93.8%	3.0%	3.2%	33.1%
Other/No party	89.9%	4.0%	6.1%	49.7%
POLITICAL IDEOLOGY:				
Conservative	94.8%	1.1%	4.1%	41.5%
Moderate	86.8%	5.5%	7.7%	41.5%
Progressive	82.1%	11.5%	6.4%	17.0%
AGE OF RESPONDENT:				
18-49	83.8%	7.2%	9.0%	34.2%
50-58	92.5%	3.3%	4.2%	32.7%
59+	91.3%	3.7%	5.0%	33.1%
NUMBER OF CHILDREN:				
None	91.6%	3.9%	4.4%	65.5%
One or more	84.8%	6.2%	9.1%	34.5%
MARITAL STATUS:				
Married	90.6%	4.4%	5.0%	77.0%
Single	85.2%	5.7%	9.2%	23.0%
GENDER OF RESPONDENT:				
Male	89.8%	4.4%	5.8%	50.0%
Female	88.9%	5.0%	6.2%	50.0%
MARITAL STATUS BY GENDER:				
Married males	91.8%	3.9%	4.3%	38.5%
Married females	89.3%	4.9%	5.8%	38.5%
Single males	83.0%	6.1%	10.9%	11.5%
Single females	87.3%	5.2%	7.5%	11.5%
AREAS OF ALASKA:				
Southeast	83.3%	5.2%	11.5%	12.8%
Rural Alaska	92.3%		7.7%	10.6%
MatSu-Kenai-Valdez	94.5%	3.3%	2.2%	20.5%
Anchorage	88.0%	6.7%	5.3%	41.5%
Fairbanks	88.8%	4.0%	7.3%	14.6%
Total	89.3%	4.7%	6.0%	100.0%

FBI - Stevens-1027

	OPINION OF AGIA:			Total
	Good law	Flawed	Not sure	Col %
	Row %	Row %	Row %	
PARTY AFFILIATION:				
Democrat	42.6%	31.2%	26.2%	17.2%
Republican	47.5%	22.1%	30.4%	33.1%
Other/No party	53.6%	16.9%	29.5%	49.7%
POLITICAL IDEOLOGY:				
Conservative	52.7%	21.0%	26.3%	41.5%
Moderate	50.2%	18.8%	31.0%	41.5%
Progressive	41.1%	26.8%	32.1%	17.0%
AGE OF RESPONDENT:				
18-49	46.7%	20.8%	32.5%	34.2%
50-58	45.1%	22.6%	32.3%	32.7%
59+	57.2%	20.7%	22.2%	33.1%
NUMBER OF CHILDREN:				
None	50.8%	21.2%	27.9%	65.5%
One or more	47.8%	21.1%	31.1%	34.5%
MARITAL STATUS:				
Married	51.9%	20.3%	27.8%	77.0%
Single	42.3%	23.8%	33.9%	23.0%
GENDER OF RESPONDENT:				
Male	52.3%	23.1%	24.6%	50.0%
Female	47.1%	19.0%	33.9%	50.0%
MARITAL STATUS BY GENDER:				
Married males	56.5%	21.6%	21.9%	38.5%
Married females	47.3%	18.9%	33.8%	38.5%
Single males	38.1%	28.1%	33.8%	11.5%
Single females	46.4%	19.5%	34.1%	11.5%
AREAS OF ALASKA:				
Southeast	45.7%	14.2%	40.1%	12.8%
Rural Alaska	60.5%	20.1%	19.4%	10.6%
MatSu-Kenai-Valdez	49.7%	20.5%	29.7%	20.5%
Anchorage	41.0%	27.2%	31.8%	41.5%
Fairbanks	70.0%	11.0%	19.0%	14.6%
Total	49.7%	21.1%	29.2%	100.0%

FBI - Stevens-1028

PUBLIC OPINION SURVEY

IVAN MOORE RESEARCH

TEL: 278-4600

Hello, my name is _____ and I'm calling for Ivan Moore Research, an Alaska public opinion research firm. We're conducting a public opinion survey today that should take just a few minutes. Your opinions are important to us, and we'd appreciate your participation if that's OK with you, and of course your responses will be completely confidential.

S1. Is this a residential telephone?

IF "YES", CONTINUE...

IF "NO", TERMINATE...

S2. Are you registered to vote in the state of Alaska?

IF "YES", CONTINUE...

IF "NO", ASK FOR REGISTERED VOTER...

1. I'm first going to read you the names of some public figures, groups and organizations. Please tell me whether your feelings towards them are very positive, somewhat positive, somewhat negative or very negative, or if you have never heard of them?

4 3 2 1 0 8
 VERY SOMEWHAT SOMEWHAT VERY WHO?
 POSITIVE POSITIVE NEUTRAL NEGATIVE NEGATIVE

Bruce Weyrauch:

BRUCE WEYRAUCH'S RATING:		
	Count	%
Very positive	2	.5%
Somewhat positive	21	4.0%
Neutral	113	22.1%
Somewhat negative	85	16.7%
Very negative	94	18.4%
Who?	195	38.3%

Mean = 1.214

Pete Kott:

PETE KOTT'S RATING:		
	Count	%
Very positive	3	.6%
Somewhat positive	19	3.8%
Neutral	122	23.9%
Somewhat negative	88	17.3%
Very negative	132	25.9%
Who?	145	28.4%

Mean = 1.106

FBI - Stevens-1029

VECO:

VECO'S RATING:		
	Count	%
Very positive	12	2.4%
Somewhat positive	60	11.7%
Neutral	61	12.0%
Somewhat negative	115	22.6%
Very negative	220	43.3%
Who?	41	8.0%

Mean = 0.994

Vic Kohring:

VIC KOHRING'S RATING:		
	Count	%
Very positive	1	.2%
Somewhat positive	27	5.3%
Neutral	92	18.1%
Somewhat negative	86	16.9%
Very negative	172	33.9%
Who?	131	25.6%

Mean = 0.937

Ben Stevens:

BEN STEVENS' RATING:		
	Count	%
Very positive	8	1.6%
Somewhat positive	46	9.1%
Neutral	54	10.7%
Somewhat negative	116	22.7%
Very negative	237	46.5%
Who?	48	9.4%

Mean = 0.858

Bill Allen:

BILL ALLEN'S RATING:		
	Count	%
Very positive	5	.9%
Somewhat positive	26	5.1%
Neutral	60	11.8%
Somewhat negative	71	13.9%
Very negative	212	41.6%
Who?	136	26.8%

Mean = 0.769 FBI - Stevens-1030

The following questions are for statistical purposes only.

2. What is your registered party affiliation?

PARTY AFFILIATION:		
	Count	%
Democrat	88	17.2%
Republican	169	33.1%
Other/No party	253	49.7%

3. When it comes to politics, do you consider yourself to be a conservative, a moderate or a progressive?

POLITICAL IDEOLOGY:		
	Count	%
Conservative	211	41.5%
Moderate	211	41.5%
Progressive	87	17.0%

4. In what year were you born?

AGE OF RESPONDENT:		
	Count	%
18-49	171	34.2%
50-58	163	32.7%
59+	165	33.1%

Mean = 53.7 years

5. Of the people living in your household, how many are children or adolescents aged 18 or under?

NUMBER OF CHILDREN:		
	Count	%
None	331	65.5%
One or more	175	34.5%

Mean = 0.71

6. Are you married or single?

MARITAL STATUS:		
	Count	%
Married	392	77.0%
Single	117	23.0%

FBI - Stevens-1031

7. GENDER...

GENDER OF RESPONDENT:		
	Count	%
Male	255	50.0%
Female	255	50.0%

That completes the survey. I have a telephone number for Ivan Moore Research that you can call with any comments, compliments or complaints. Would you like the number? (278-4600)

Thank you very much for your help. Goodbye.

THE FOLLOWING AREA VARIABLE WAS COMPUTED USING THE TELEPHONE PREFIX:

AREAS OF ALASKA:		
	Count	%
Southeast	65	12.8%
Rural Alaska	54	10.6%
MatSu-Kenai-Valdez	104	20.5%
Anchorage	211	41.5%
Fairbanks	74	14.6%

THE FOLLOWING MARITAL BY GENDER VARIABLE WAS COMPUTED USING MEASURED DATA:

MARITAL STATUS BY GENDER:		
	Count	%
Married males	196	38.5%
Married females	196	38.5%
Single males	59	11.5%
Single females	58	11.5%

FBI - Stevens-1032

	PETE KOTT'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	4.6%	51.4%	18.1%	25.9%	17.2%
Republican	5.7%	36.4%	26.5%	31.4%	33.1%
Other/No party	3.5%	45.0%	24.3%	27.2%	49.7%
POLITICAL IDEOLOGY:					
Conservative	6.0%	35.0%	28.0%	31.0%	41.5%
Moderate	3.5%	43.8%	24.7%	28.1%	41.5%
Progressive	3.1%	61.9%	12.1%	22.9%	17.0%
AGE OF RESPONDENT:					
18-49	6.0%	30.2%	27.5%	36.2%	34.2%
50-58	5.0%	47.0%	26.1%	21.8%	32.7%
59+	2.5%	52.9%	18.8%	25.7%	33.1%
NUMBER OF CHILDREN:					
None	4.0%	50.0%	21.8%	24.2%	65.5%
One or more	5.4%	30.8%	28.3%	35.5%	34.5%
MARITAL STATUS:					
Married	5.0%	43.7%	24.4%	26.9%	77.0%
Single	2.5%	41.5%	22.4%	33.5%	23.0%
GENDER OF RESPONDENT:					
Male	3.8%	47.3%	24.9%	23.9%	50.0%
Female	5.1%	39.1%	22.9%	32.9%	50.0%
MARITAL STATUS BY GENDER:					
Married males	4.1%	48.9%	25.2%	21.8%	38.5%
Married females	6.0%	38.5%	23.5%	31.9%	38.5%
Single males	3.1%	42.0%	23.9%	31.0%	11.5%
Single females	1.9%	41.0%	21.0%	36.1%	11.5%
AREAS OF ALASKA:					
Southeast	4.4%	40.3%	22.6%	32.8%	12.8%
Rural Alaska	4.1%	21.8%	26.7%	47.3%	10.6%
MatSu-Kenai-Valdez	4.7%	43.6%	27.3%	24.4%	20.5%
Anchorage	4.6%	53.1%	23.1%	19.1%	41.5%
Fairbanks	4.0%	32.8%	20.5%	42.7%	14.6%
Total	4.5%	43.2%	23.9%	28.4%	100.0%

FBI - Stevens-1033

	VIC KOHRING'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	3.7%	54.7%	14.2%	27.5%	17.2%
Republican	6.4%	45.7%	22.2%	25.8%	33.1%
Other/No party	5.5%	52.9%	16.8%	24.9%	49.7%
POLITICAL IDEOLOGY:					
Conservative	8.7%	42.1%	21.6%	27.6%	41.5%
Moderate	2.8%	51.9%	17.7%	27.6%	41.5%
Progressive	4.0%	69.3%	10.6%	16.1%	17.0%
AGE OF RESPONDENT:					
18-49	6.8%	37.7%	20.1%	35.3%	34.2%
50-58	2.6%	55.5%	20.0%	22.0%	32.7%
59+	7.2%	59.7%	13.8%	19.3%	33.1%
NUMBER OF CHILDREN:					
None	4.9%	56.6%	17.0%	21.6%	65.5%
One or more	6.7%	40.3%	19.9%	33.1%	34.5%
MARITAL STATUS:					
Married	5.8%	50.8%	18.5%	24.9%	77.0%
Single	4.2%	50.9%	16.7%	28.3%	23.0%
GENDER OF RESPONDENT:					
Male	5.1%	55.8%	18.2%	20.9%	50.0%
Female	5.8%	45.8%	18.0%	30.4%	50.0%
MARITAL STATUS BY GENDER:					
Married males	6.0%	56.7%	18.7%	18.6%	38.5%
Married females	5.7%	44.8%	18.3%	31.2%	38.5%
Single males	2.1%	52.9%	16.3%	28.7%	11.5%
Single females	6.3%	48.8%	17.0%	27.8%	11.5%
AREAS OF ALASKA:					
Southeast	1.8%	44.6%	14.5%	39.1%	12.8%
Rural Alaska	6.4%	20.1%	24.7%	48.8%	10.6%
MatSu-Kenai-Valdez	6.8%	63.0%	17.8%	12.4%	20.5%
Anchorage	6.0%	57.0%	17.8%	19.2%	41.5%
Fairbanks	4.5%	43.7%	17.9%	33.9%	14.6%
Total	5.5%	50.8%	18.1%	25.6%	100.0%

FBI - Stevens-1034

PARTY AFFILIATION:
 Democrat
 Republican
 Other/No party

POLITICAL IDEOLOGYZ

Conservative
 Moderate
 Progressive

	BRUCE WEYRAUCH'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	1.4%	38.6%	24.5%	35.5%	17.2%
Republican	4.8%	27.7%	23.2%	44.3%	33.1%
Other/No party	5.4%	38.7%	20.6%	35.4%	49.7%
POLITICAL IDEOLOGY:					
Conservative	4.0%	28.1%	24.7%	43.2%	41.5%
Moderate	5.3%	35.3%	21.4%	38.0%	41.5%
Progressive	3.9%	51.4%	17.5%	27.2%	17.0%
AGE OF RESPONDENT:					
18-49	5.4%	28.1%	18.3%	48.2%	34.2%
50-58	3.6%	38.4%	25.3%	32.7%	32.7%
59+	3.6%	38.4%	24.4%	33.6%	33.1%
NUMBER OF CHILDREN:					
None	3.7%	37.7%	22.7%	35.8%	65.5%
One or more	6.1%	30.2%	21.4%	42.4%	34.5%
MARITAL STATUS:					
Married	4.4%	35.4%	23.6%	36.7%	77.0%
Single	4.7%	34.0%	17.3%	44.0%	23.0%
GENDER OF RESPONDENT:					
Male	4.2%	37.2%	26.9%	31.7%	50.0%
Female	4.8%	32.8%	17.4%	45.0%	50.0%
MARITAL STATUS BY GENDER:					
Married males	3.8%	38.9%	28.0%	29.3%	38.5%
Married females	5.1%	31.8%	19.1%	43.9%	38.5%
Single males	5.4%	31.8%	23.2%	39.6%	11.5%
Single females	4.0%	36.2%	11.5%	48.4%	11.5%
AREAS OF ALASKA:					
Southeast	17.4%	37.5%	19.7%	25.4%	12.8%
Rural Alaska	3.1%	22.2%	21.9%	52.7%	10.6%
MatSu-Kenai-Valdez	2.6%	35.9%	21.0%	40.5%	20.5%
Anchorage	2.9%	38.6%	23.8%	34.7%	41.5%
Fairbanks	1.3%	31.1%	21.0%	46.6%	14.6%
Total	4.5%	35.0%	22.1%	38.3%	100.0%

FBI - Stevens-1035

	BEN STEVENS' RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	4.3%	74.6%	10.1%	11.0%	17.2%
Republican	18.6%	56.5%	14.8%	10.1%	33.1%
Other/No party	7.6%	75.8%	8.1%	8.4%	49.7%
POLITICAL IDEOLOGY:					
Conservative	15.7%	61.1%	13.1%	10.1%	41.5%
Moderate	6.0%	72.2%	11.2%	10.6%	41.5%
Progressive	9.9%	81.7%	3.7%	4.7%	17.0%
AGE OF RESPONDENT:					
18-49	14.1%	55.2%	15.4%	15.3%	34.2%
50-58	8.4%	73.7%	8.9%	9.0%	32.7%
59+	10.1%	78.6%	8.2%	3.0%	33.1%
NUMBER OF CHILDREN:					
None	9.7%	76.3%	8.1%	5.9%	65.5%
One or more	12.7%	56.0%	15.9%	15.5%	34.5%
MARITAL STATUS:					
Married	10.1%	70.3%	11.5%	8.1%	77.0%
Single	12.6%	65.6%	7.9%	14.0%	23.0%
GENDER OF RESPONDENT:					
Male	8.5%	75.0%	9.2%	7.2%	50.0%
Female	12.8%	63.4%	12.2%	11.6%	50.0%
MARITAL STATUS BY GENDER:					
Married males	6.0%	79.2%	9.7%	5.1%	38.5%
Married females	14.3%	61.4%	13.3%	11.0%	38.5%
Single males	17.1%	60.8%	7.6%	14.5%	11.5%
Single females	8.0%	70.4%	8.2%	13.4%	11.5%
AREAS OF ALASKA:					
Southeast	10.2%	57.2%	19.6%	13.0%	12.8%
Rural Alaska	15.9%	49.2%	12.0%	22.8%	10.6%
MatSu-Kenai-Valdez	7.9%	72.6%	10.5%	8.9%	20.5%
Anchorage	10.4%	79.4%	7.2%	3.0%	41.5%
Fairbanks	12.0%	60.6%	12.0%	15.5%	14.6%
Total	10.7%	69.2%	10.7%	9.4%	100.0%

FBI - Stevens-1036

5
z

	BILL ALLEN'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	5.4%	58.5%	11.1%	25.0%	17.2%
Republican	8.1%	46.9%	12.4%	32.5%	33.1%
Other/No party	4.8%	60.0%	11.6%	23.6%	49.7%
POLITICAL IDEOLOGY:					
Conservative	7.8%	50.1%	12.1%	30.0%	41.5%
Moderate	6.0%	56.4%	12.9%	24.7%	41.5%
Progressive	1.7%	66.2%	8.2%	23.8%	17.0%
AGE OF RESPONDENT:					
18-49	7.1%	38.2%	16.0%	38.7%	34.2%
50-58	5.9%	55.1%	12.4%	26.6%	32.7%
59+	5.4%	72.7%	6.7%	15.2%	33.1%
NUMBER OF CHILDREN:					
None	5.1%	63.3%	9.8%	21.8%	65.5%
One or more	7.9%	40.4%	15.7%	36.0%	34.5%
MARITAL STATUS:					
Married	6.6%	56.5%	12.1%	24.8%	77.0%
Single	4.1%	51.8%	10.6%	33.5%	23.0%
GENDER OF RESPONDENT:					
Male	7.0%	62.0%	10.3%	20.7%	50.0%
Female	5.0%	48.9%	13.2%	32.9%	50.0%
MARITAL STATUS BY GENDER:					
Married males	7.0%	65.0%	9.9%	18.1%	38.5%
Married females	6.2%	48.1%	14.3%	31.5%	38.5%
Single males	7.0%	51.8%	11.7%	29.5%	11.5%
Single females	1.2%	51.7%	9.6%	37.5%	11.5%
AREAS OF ALASKA:					
Southeast	4.4%	34.4%	14.7%	46.6%	12.8%
Rural Alaska	8.7%	29.9%	15.1%	46.3%	10.6%
MatSu-Kenai-Valdez	4.1%	68.9%	8.2%	18.8%	20.5%
Anchorage	6.9%	60.3%	12.8%	20.0%	41.5%
Fairbanks	5.8%	59.8%	8.9%	25.6%	14.6%
Total	6.0%	55.4%	11.8%	26.8%	100.0%

FBI - Stevens-1037

IPARTY AFFILIATION:
 IDemocrat
 IRepublican
 IOther/No party

IPOLITICAL IDEOLOGY:
 IConservative
 IModerate
 IProgressive

	VECO'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	11.3%	68.1%	13.4%	7.2%	17.2%
Republican	21.4%	55.4%	12.8%	10.3%	33.1%
Other/No party	10.3%	72.0%	10.9%	6.8%	49.7%
POLITICAL IDEOLOGY:					
Conservative	19.5%	60.0%	11.7%	8.8%	41.5%
Moderate	12.1%	65.1%	14.3%	8.5%	41.5%
Progressive	6.2%	82.0%	6.8%	5.1%	17.0%
AGE OF RESPONDENT:					
18-49	14.9%	59.6%	12.1%	13.5%	34.2%
50-58	13.1%	68.5%	11.7%	6.6%	32.7%
59+	14.8%	69.2%	12.2%	3.8%	33.1%
NUMBER OF CHILDREN:					
None	13.4%	72.1%	9.6%	4.9%	65.5%
One or more	15.9%	53.3%	16.6%	14.2%	34.5%
MARITAL STATUS:					
Married	14.5%	66.3%	12.2%	6.9%	77.0%
Single	12.9%	64.2%	11.1%	11.8%	23.0%
GENDER OF RESPONDENT:					
Male	15.1%	67.5%	12.3%	5.1%	50.0%
Female	13.2%	64.2%	11.7%	11.0%	50.0%
MARITAL STATUS BY GENDER:					
Married males	15.8%	67.0%	13.3%	3.9%	38.5%
Married females	13.3%	65.7%	11.1%	9.9%	38.5%
Single males	12.9%	69.4%	8.8%	9.0%	11.5%
Single females	12.8%	59.1%	13.5%	14.6%	11.5%
AREAS OF ALASKA:					
Southeast	3.1%	55.5%	20.1%	21.4%	12.8%
Rural Alaska	5.9%	55.3%	18.4%	20.4%	10.6%
MatSu-Kenai-Valdez	24.6%	67.1%	5.5%	2.8%	20.5%
Anchorage	16.5%	68.8%	12.2%	2.4%	41.5%
Fairbanks	8.4%	72.6%	8.4%	10.6%	14.6%
Total	14.2%	65.9%	12.0%	8.0%	100.0%

FBI - Stevens-1038

Corruption case prompts ethics action in Assembly -**INFLUENCE: Convicted felons can't register to be lobbyists on city business.**

Anchorage Daily News (AK)

May 23, 2007

Author: KYLE HOPKINS

Anchorage Daily News

Staff

Estimated printed pages: 2

The Anchorage Assembly voted unanimously to tighten city lobbying rules Tuesday night, banning anyone convicted of a felony from registering as a lobbyist.

"What we're trying to do is basically maintain the integrity of those who try and influence public officials," said Assemblyman Dan Sullivan, who co-sponsored the proposal along with Assemblyman Paul Bauer.

Bauer has said he proposed the changes partly because Anchorage's most prominent lobbyist, Bill Bobrick, had been linked to the corruption case against former Anchorage Rep. Tom Anderson. Bobrick has pleaded guilty to conspiracy to bribe Anderson, and no longer has any clients before the city, according to the latest city lobbyist lists.

Only one person -- Jed Whittaker, who left right after he spoke -- testified about the changes. He told Assemblymembers they allowed Bobrick to influence them for years without complaint until now.

"If you really want to say to the public that you cannot be bought, then pass an ordinance that publicly funds elections to the Assembly," Whittaker said.

No one on the Assembly had any questions for him.

The new guidelines adopted Tuesday say a person can't register to lobby city officials if he or she has been convicted of a felony within the previous 10 years.

Ethics may be a hot topic in Alaska but the lobbying rules drew little attention. By the time Assembly members were deep in debate over how to define the type of crimes would-be lobbyists aren't allowed to commit and how much to charge them for registration, two people sat in the audience.

Preparing for a few weeks off from regular meetings, the Assembly ended the meeting relatively early. Assemblywoman Debbie Osslander said fumes from a large, smelly new screen -- used to view voting results -- behind the Assembly seats was giving her a headache.

Daily News reporter Kyle Hopkins can be reached at khopkins@adn.com or 257-4334.

Caption:

ERIK HILL / Anchorage Daily News

Bill Bobrick, who pleaded guilty last Wednesday to conspiracy to bribe former Rep. Tom Anderson, was the most prominent lobbyist in Anchorage. City officials decided to tighten lobbying rules.

Caption:

Photo 1: BillDSC_0020_052307.jpg

Edition: Final
Section: Alaska
Page: B1

FBI - Stevens-1039

Lobbyists with felony convictions face ban -**ASSEMBLY: Spotlight on ethics in state politics may bring issue to a vote tonight.**

Anchorage Daily News (AK)

May 22, 2007

Author: KYLE HOPKINS

Anchorage Daily News

Staff

Estimated printed pages: 3

Until he pleaded guilty to conspiracy to bribe a state politician, Bill Bobrick was the go-to guy if you wanted to lobby the Anchorage Assembly.

Tonight that same Assembly -- some of whom got frequent campaign donations from Bobrick -- could decide whether to ban him or anyone convicted of a felony from lobbying.

Bobrick's plea was the latest in a string of corruption cases that saw four current or former state lawmakers indicted and two corporate executives admitting to bribery.

The proposal now before the city would bar felons from registering as lobbyists within 10 years of their conviction, and considering the spotlight on ethics in Alaska politics, Assembly members said this won't be a hard decision.

"I don't think we have really any choice," said Assemblyman Dick Traini, who plans to vote for the new rules.

Assembly chairman Dan Coffey said he expects the proposal to succeed tonight.

"I can't image that it wouldn't in this climate," he said.

Assemblyman Paul Bauer proposed the new lobbying rules at least partly because of Bobrick's case, Bauer said last week.

Compared with the scores of people lobbying the state Legislature, the pool is relatively small in Anchorage. Bobrick was the biggest fish, representing a dozen clients last year. According to the latest city list, he no longer has any clients.

Bauer and Bobrick aren't friendly, but the longtime lobbyist has supported many past and current city leaders. Over the years, he donated thousands of dollars to the political campaigns of Mayor Mark Begich and at least \$1,000 each to Assembly members Alan Tesche, Dan Sullivan, Traini and Coffey, according to state records.

Though he rarely sides with Bauer and Sullivan, who co-sponsored the new rules, Begich said Monday he supports the proposal.

"I have no problem with it," he said.

Assembly members said Bobrick's past contributions won't influence their vote.

"It's just business," said Traini, who also talked about how the spotlight has been hard on Bobrick's family and said the lobbyist has "done a lot of good things for this town" with groups such as Standing Together Against Rape.

Tesche said it's no surprise that many city leaders received money from Bobrick: "Understand that he is Anchorage's almost exclusive full-time lobbyist, so one would expect him to be involved in a number of campaigns if he's the only guy in town."

Coffey, who said during his most recent campaign that he doesn't accept money from lobbyists, returned Bobrick's donation according to his campaign disclosure reports.

Sullivan co-sponsored Bauer's proposal and downplayed Bobrick's donations to his campaign, saying the lobbyist probably gave them only begrudgingly.

Bobrick couldn't be reached for comment Monday.

Tesche, who appeared at Bobrick's plea hearing last week, proposed new ethics rules of his own that will also be discussed tonight: He wants to bar city leaders from putting pressure on companies that do business with the city to hire or fire specific people. Bauer couldn't be reached for an interview Monday, but said last

194A-AN-13620-m;477

week the new lobbying rules are meant to protect the public trust.

"I don't want us turning into the Alaska state Legislature," he said.

Bobrick has agreed to testify against former Anchorage Rep. Tom Anderson and admitted to a scheme to funnel money to Anderson through a sham corporation. In December, Anderson pleaded not guilty to bribery, extortion and other charges.

Last year, Anderson registered to lobby the city too.

Daily News reporter Kyle Hopkins can be reached at khopkins@adn.com.

Edition: Final
Section: Alaska
Page: B1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-1041

Drag political cesspool out of Juneau

Anchorage Daily News (AK)
May 22, 2007
Author: JOHN STROHMEYER
COMMENT
Commentary

Estimated printed pages: 3

"What oil had finally learned was that sending smooth-talking lawyers to lobby the freewheeling legislators in Juneau was futile. Alaskans suspected Outsiders, particularly Outsiders in Brooks Brothers suits. The oil firms looked for an Alaskan voice and they found one in Bill Allen, the head of Veco International Inc., an oil services company that held lucrative contracts in the Prudhoe oil patch. ... Oil rewarded Veco with a steady flow of oil field contracts that in turn produced big money at campaign time."

That is an excerpt from my book, "Extreme Conditions -- Big Oil and the Transformation of Alaska," first printed in 1993. So for 14 years we and anyone else reading this nationally published book knew that Allen was Big Oil's fixer in the Alaska Legislature. Not that oil wanted political power for its own sake. It wanted to control how it was taxed, to protect the cost of doing business from the vagaries of the political system as long as oil flowed. With Allen calling the shots, his endowed legislators made sure that what oil wanted, oil got.

After a few weeks watching the Legislature back then, I was shocked to see how primitive was the political culture that reigned in Juneau. The real business of the Legislature was done in the corridors, which were lined with lobbyists. Anyone could see the selling of Alaska firsthand. Not only were private interests instructing their legislative pigeons, but school districts, municipalities and even nonprofits among others seeking favors posted lobbyists to buttonhole the lawmakers greased with campaign money or promises of support. Once sessions were under way, I was astounded to see legislators actually look to the gallery for signals from their lobbyists on how to vote.

When the day's sessions ended, the wooing games did not. Lobbyists just walked a few blocks down to the Baranof Hotel where they dined legislators or met them in private suites in the hotel, out of sight of the public, of course. If some of us wondered what transpired behind those locked doors, we need wonder no more. Consider the admissions made last week by Veco's Bill Allen and his vice president, Rick Smith, in pleading guilty of bribing four legislators:

* In Suite 604 at the Baranof during the 2006 legislative session, one bribery deal was recorded by the FBI as follows: Allen had told Rep. Pete Kott of Eagle River to defeat a gas line amendment and asked for what was apparently a progress report. "I had to cheat, steal, beg, borrow and lie," Kott said. Allen's reply, "I own your ass."

* In a second recording in the same suite, Rep. Vic Kohring asked Allen for a \$17,000 loan and asked Smith if he had any hundreds in cash on him. Smith pulled out his wallet and handed a roll of bills to Allen, who in turn handed over the estimated \$500 to Kohring.

This is about as crass as bribery can get. But such is the environment in Juneau. It is a cesspool for political corruption. There are no whistle-blowers in the legislative chambers. Legislators learn soon they are accountable to each other more than to the people they represent. How else can you explain the lack of legislative outrage when Senate president Ben Stevens, R-Anchorage, who was paid a total of \$243,250 by Veco, prevailed without challenge last year in the thick of the negotiations over oil and gas taxes.

The federal government's routing of Alaska's principal bribers and indicting several of the alleged bribe-accepting legislators are a welcome short-term cleanup. But it does not get to the roots of reform so badly needed. Our problem is the evil political environment that has festered so long in Juneau.

FBI - Stevens-1042

The only long-range way to fix the problem is to take the Legislature out of Gomorrah. Move the capital out of Juneau. Relocate it somewhere where the people can drive to it, where they can monitor their legislators, and where they can see which lawmakers try to do business behind locked doors.

John Strohmeier is a Pulitzer Prize-winning journalist and author of "Extreme Conditions -- Big Oil and the Transformation of Alaska."

Photo 1: STROHMEYER_BW_052207.jpg

Edition: Final
Section: Alaska
Page: B4

**Colorado company interested in Veco -
BID TO BUY: CH2M Hill signs a letter of intent to discuss the purchase.**

Anchorage Daily News (AK)

May 19, 2007

Author: WESLEY LOY

Anchorage Daily News

Staff

Estimated printed pages: 4

A Colorado company is negotiating to buy scandal-plagued Veco Corp., the Anchorage oil-field services and construction company whose former chief executive pleaded guilty this month to federal bribery and conspiracy charges.

CH2M Hill, based in the Denver suburb of Englewood, and Veco have signed a letter of intent giving the Colorado engineering firm an exclusive 90-day period to discuss a purchase, John Corsi, a CH2M Hill spokesman, said Friday.

The sale is not guaranteed, as the firm must do a management and legal review of Veco, Corsi said.

"This has to fit both ways," he said.

Neither of the privately held companies disclosed any proposed terms Friday.

Veco is one of the largest companies in Alaska, with about 2,000 employees in the state and a similar number in operations around the world.

"The business combination with CH2M Hill is an excellent opportunity to move our company forward," said Tammy Kerrigan, who took over as Veco chairwoman after her father, Bill Allen, pleaded guilty May 7 and subsequently stepped down from his corporate posts.

"CH2M Hill is consistently recognized as one of the most respected companies in the engineering and construction industry and we are very interested in the significant value created for our clients by combining the skills and resources of the two firms," said Kerrigan, of Grand Junction, Colo. "This transaction would also provide a great home for our dedicated and skilled work force."

"We are very enthusiastic about the prospect of this deal. The outstanding employees at Veco are respected worldwide for their heritage of service to the energy industry," said Rob Smith, president of CH2M Hill's energy, chemicals and industrial systems business group. "Their commitment to client service would be an excellent fit with CH2M Hill's culture. Veco's core energy business and locations fit our corporate growth strategy extremely well."

CH2M Hill is an engineering, construction, management and design firm with \$4.5 billion in revenue last year. The firm is owned entirely by its employees, and no employee owns a dominant share, Corsi said.

Veco is heavily involved in oil-field services and construction on the North Slope, and also has projects in the Lower 48, Canada, Barbados, Russia's Sakhalin Island and the Middle East. The company has annual revenue reaching \$1 billion, Allen has said.

The Allen family owns much of Veco.

Allen, who helped build Veco starting in 1969, pleaded guilty to bribing state lawmakers in exchange for their votes or influence on legislation important to the oil industry, including last year's production tax reform.

FBI - Stevens-1043

Another Veco executive, Rick Smith, also pleaded guilty to federal charges, and both he and Allen face probable prison time.

Amy Menard, an attorney for Veco, had said in the wake of the guilty pleas that FTI Consulting Inc., a large Baltimore-based firm, would review the company's corporate operations and practices, with initial results expected by this week. Menard did not return a phone call seeking comment Friday.

Federal authorities have not accused Veco, as a company, of any crime.

THE ALASKA WORK

Among Veco's major customers is British oil giant BP, which runs Prudhoe Bay, the nation's largest oil field.

BP spokesman Daren Beaudou offered a prepared statement on Veco's possible sale:

"CH2M Hill is a respected international company. Our interest is in a solution that would allow thousands of hard-working Alaskans to continue to provide quality oil-field services on the North Slope and elsewhere."

One of Veco's main rivals for oil-field contracts in Alaska is ASRC Energy Services, a unit of Arctic Slope Regional Corp., the Barrow-based Native corporation for the North Slope. The company had no comment Friday on the possible emergence of a larger competitor in CH2M Hill, ASRC spokeswoman Carol Richards said.

CH2M Hill has a deep history of work in Alaska, Corsi said.

It began with the devastating 1964 Alaska earthquake, which spawned business for the company from the U.S. Army Corps of Engineers, he said.

The firm has an office on Northern Lights Boulevard in Anchorage, and its 70 Alaska employees work on energy, transportation, water and environmental projects, Corsi said.

Clients include the Corps, the Defense Department, the state Department of Transportation, the North Slope Borough, the City of Anchorage, the Alaska Department of Fish and Game, energy companies and others.

The name CH2M Hill is built from the initials of its four founders -- including two named Howland and Hayes -- plus the name of a firm, Hill, picked up in a merger.

"The CH2M Hill enterprise, dating back to 1946, is built on honesty, ethics and morals," according to its Web site.

Daily News reporter Wesley Loy can be reached at wloy@adn.com or 257-4590.

ONLINE: Visit the Web to read past stories of the FBI investigation, the political corruption charges and the guilty pleas from top Veco officials.

adn.com/corruption

* What: Global engineering, construction, management and design company

* Headquarters: Denver

* 2006 revenue: \$4.5 billion

* Employees: 19,000

* History: Founded in 1946 in Corvallis, Ore.

* Alaska connection: Firm has an Anchorage office and 70 Alaska employees. Has worked on more than 3,000 Alaska projects since the 1964 earthquake. Clients include state Department of Transportation, Army Corps of Engineers, City of Anchorage, North Slope Borough, energy companies.

* Web site: www.ch2m.com

CH2M Hill

FBI - Stevens-1044

Photo 1: DimondGrad003_051907.jpg

Photo 2: DimondGrad005_051907.jpg

Photo 3: Brian Massey_051907.jpg

Photo 4: Mizuki Takahashi_051907.jpg

Edition: Final

Section: Main

Clean ills with public election funding -
COMPASS: POINTS OF VIEW FROM THE COMMUNITY

Anchorage Daily News (AK)

May 18, 2007

Author: STEVE CLEARY

Commentary

Estimated printed pages: 3

After the Veco bribery and corruption scandal enveloped Juneau, the governor and the Legislature immediately began to talk about solutions. The Legislature strengthened laws governing ethics, including requiring full disclosure of payments our citizen legislators receive, which will help. But it won't address the systemic problem undermining Alaska politics.

The Veco scandal was not simply a few bad apples. If this scandal shows us anything, it's that we need to address the whole tree, starting with the roots. And the root, as we all know, is money.

That's why the Alaska Public Interest Research Group is proposing a real solution to corruption in politics -- "Clean Elections." Clean Elections are publicly funded elections, in which candidates gather a required number of signatures and small donations to qualify for public funding. Candidates also agree to strict spending limits in exchange for the funding.

This rids campaign politics of the special-interest money that floods the political scene each election.

While Veco executives admit to having bribed a handful of legislators outright, Veco employees have contributed to dozens of campaigns. In fact, Veco campaign contributions to state candidates total nearly \$600,000 in the past decade. Going back further, to 1990, Veco, its employees and their family members gave the state and national Republican parties, GOP congressional candidates and President Bush slightly more than \$1 million, according the Center for Responsive Politics.

With Clean Elections, corporations and special interests can't buy their way into the halls of government with large campaign contributions. Special interest money is simply taken out of the equation. This puts people back in charge of the electoral process and their democracy. Candidates are no longer beholden to a small number of large donors, but are free to serve the actual voters that elected them.

Clean Elections laws are working in other states and localities -- from Maine to Arizona. In Arizona, after four election cycles using Clean Elections, 83 percent of voters support the system. The current governor of Arizona was elected using Clean Elections financing, as were the secretary of state, attorney general, and 38 of the state's legislators.

In Maine, the system is equally popular. Eighty-one percent of candidates used Clean Elections financing in 2006, up from 78 percent in 2004, and 60 percent in 2002. An April 2007 report by the Maine Commission on Governmental Ethics and Election Practices finds that Clean Elections has sharply reduced private contributions to candidates; provided more choices for voters; controlled the growth in spending by legislative candidates; and leveled the playing field between candidates for public office.

In Connecticut in 2004, Gov. John G. Rowland resigned from office during a corruption investigation. He later pleaded guilty in federal court to conspiracy to commit fraud and served 10 months in a federal prison. This and other scandals cost the state tens of millions of dollars. In reaction, the Connecticut Legislature became the first legislature to pass Clean Elections legislation, in late 2005.

As Sen. Bill Wielechowski noted when talking about Clean Elections and Veco's effect on the petroleum production tax, Alaska has potentially lost \$1 billion a year because votes were traded for money and campaign contributions. Alaska cannot afford to let that continue. The system must change.

Alaskans are still in shock from the recent indictments and future indictments that certainly loom. The public's trust in elected officials is severely shaken. It is time that the governor and the Legislature embrace real reform and bring Clean Elections to Alaska.

Steve Cleary is executive director of Alaska Public Interest Research Group in Anchorage. The Daily News welcomes Compass submissions of 675 words or less. Send to compass@adn.com and include a daytime phone number.

Photo 1: 18compass_Cleary_051807.jpg

FBI - Stevens-1045

194A-AN-13620-m;480

BUILDING ANCHORAGE

Anchorage Daily News (AK)

June 1, 2007

Author: Staff

Estimated printed pages: 2

14 floors of Class A space

What: JL Tower, a 14-floor office building containing about 300,000 square feet of space, is located in Centerpoint Business Park in Midtown. It is classified as the high end of the "Class A" market, and tenants will include national companies, law and accounting firms, and oil companies, said Leonard Hyde, president of JL Properties. The tower will also feature a large lobby with a cafe, conference center and health club for tenants.

Where: 3700 Centerpoint Drive

Cost: More than \$60 million

Contractors: Davis Constructors and Engineers, general contractor; Rim Architects, design; DOWL Engineers; Alcan Electric; Superior Plumbing and Heating; and Sampson Steel Co. Inc.

Why: "We perceive a demand for very high-quality office space in Anchorage," Hyde said, adding that the vacancy rate is very low here. "Our economy continues to grow, and there have been very few large 'Class A' buildings built here in the last 25 years." JL is partnered with Washington Capital Management -- a Seattle company that manages union pension funds. This entire project is being done with union labor, Hyde said.

When: Completion is scheduled for March.

Caption:
ERIK HILL / Anchorage Daily News

JL Tower, a 14-floor office building containing about 300,000 square feet of space, is located in Centerpoint Business Park at 3700 Centerpoint Drive. It will include national companies, law and accounting firms, and oil companies, said Leonard Hyde, president of JL Properties. Completion is scheduled for March.

FBI - Stevens-1046

194A-AN-13620-M;481

Special session is set for fall -**LEGISLATURE: Gov. Palin wants to revisit oil tax, but not in Juneau.**

Anchorage Daily News (AK)

May 18, 2007

Author: SABRA AYRES

Anchorage Daily News

Staff

Estimated printed pages: 3

Gov. Sarah Palin said Thursday she intends to call state lawmakers into a special session this fall to revisit the Petroleum Production Tax and would be looking to save money by holding the meeting somewhere other than Juneau.

In declaring her plans less than 12 hours after the regular legislative session ended for the year, Palin did not specify another venue, but hinted Anchorage would be a contender because of the city's proximity to a large percentage of lawmakers.

"We're not moving the Legislature, and we're not moving the capital," the governor said. "But we'll be looking for somewhere to meet that will be less expensive."

Palin said the previous Legislature spent an "outrageous" \$2.1 million on special sessions. The government must pick up the bill for legislators' travel costs to a special gathering and for housing costs while House and Senate members are in session. State lawmakers went through three special sessions last year and one in 2005.

Juneau has been the capital of the state since territorial times. The prospect of moving state government elsewhere has been raised several times in the state's history and always creates heated resistance in the Southeast Alaska city.

"We do get concerned when the Legislature contemplates meeting in a place other than Juneau," Juneau Mayor Bruce Botelho said Thursday.

Botelho, who served as state attorney general from 1994 to 2002, said, "But Palin has been clear that Juneau is the capital, and I don't think this is a situation that should trigger a three-alarm fire."

Proponents of moving the capital say Juneau is too isolated from the rest of the state, making it difficult for voters to access their state government. With no roads in or out of the city, Juneau can be reached only by plane or ferry. Lawmakers whose planes have been delayed because of bad weather say they have had to miss critical session days.

Palin said the recent guilty pleas from two Veco Corp. executives who admitted to bribing legislators during last year's approval of the PPT was evidence enough that a thorough review of the tax law was warranted.

"Our oil tax formula was changed under a dark cloud of suspicion," she said Thursday.

When the PPT was created, it fundamentally changed the way the state taxes oil producers, and supporters of the tax structure were hopeful it would bring more revenue into state coffers. But first receipts last month came in \$137 million short of projections.

LOOPHOLE ALSO ON AGENDA

Bill Allen and Rick Smith of Veco have pleaded guilty to charges they paid off lawmakers in exchange for their influence during the PPT debate in the Legislature. One current and two former lawmakers face related bribery and extortion charges.

Palin announced after the indictments earlier this month that her administration would begin examining how effectively the tax was working.

The governor said she would ask lawmakers during the special session to take up a bill dealing with a loophole in oil tax expenditures left hanging after Wednesday night's late adjournment.

FBI - Stevens-1047

The bill, which more than half the members of the Legislature endorsed, would keep oil companies from deducting for pipeline repairs in cases of "improper maintenance."

House Minority Leader Beth Kerttula, a Democrat who represents Juneau, said she was happy to hear the governor intended to ask the Legislature to take up the tax again.

194A-AI-13620-m;482

She stressed that she was not worried that Palin, a Wasilla native, was trying to move the capital.

Holding public hearing and testimony in another Alaska city to involve more of the public would benefit the entire state, particularly on a tax law debate that "didn't go right the first time," Kerttula said.

"This is a pragmatic governor," she said. "I'm sure she will be willing to work this out with us. I'm not concerned she meant anything more than that."

If it came down to drafting new tax legislation and voting on it, lawmakers would need to be in Juneau to access the expertise of the Legislature's legal and finance offices located in the capital, said Rep. Kurt Olson, R-Soldotna.

"We can't do it without them, and it would be too expensive to move anywhere else," he said.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.

Caption:

CHRIS MILLER / The Associated Press

Alaska Gov. Sarah Palin, right, discusses the results of the legislative session Thursday in Juneau. At left is Karen Rehfeld, the governor's budget chief.

Caption:

Photo 1: 18AKCM101Alaska_Governo_051807.jpg

Photo 2: 18NY122World_Bank_Wolfo_051807.tif

Edition: Final

Section: Main

Page: A1

Dateline: JUNEAU

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-1048

**Wasilla can do better than self-serving Kohring -
COMPASS: POINTS OF VIEW FROM THE COMMUNITY**

Anchorage Daily News (AK)

May 18, 2007

Author: KATHIE WOLF

Commentary

Estimated printed pages: 3

Apparently, Vic Kohring believes he is the only state employee that isn't paid too much, since he thought it was OK to take money and favors from Veco. Whether or not found guilty of the federal indictment against him, his actions show his main concern is not his constituents and raise questions about who Kohring truly represents.

This is not the first time he has performed questionable activities, only the first indictment.

In 2005, Kohring went to the mayor of Fairbanks North Slope regarding changing the law to increase a tax break for an Anchorage-based developer. His actions were that of a lobbyist, not lawmaker.

In 2003, he helped pass HB 69, crafted by a Colorado company holding gas leases scattered through parts of Mat-Su. The bill removed citizen's rights to say how coal-bed methane drilling would be introduced and pulled the teeth from local government when it came to regulatory shallow gas drilling.

Perhaps, if I owned a house in Oregon as Kohring, I wouldn't have been as disturbed about having coal-bed methane drilling in the Valley, either. After all, it's not his backyard.

In 2006, he was an adviser to Marc Marlow, who made a proposal to build an 80-megawatt coal fired plant at Port MacKenzie. Once again, Kohring put himself into conflict of interest between representing Valley constituents and as business adviser to Mr. Marlow. Kohring's pattern of playing both sides of the fence doesn't do well for the people of Wasilla.

In 2000, Kohring claimed more "optional" per diem than any other legislator and in 2002, he received \$1,740 per diem when absent from the capital for 10 days, seven of which he spent at his Oregon home where his wife and stepdaughter reside.

And this was in the first 19 days of session.

According to the indictment, Kohring, an Alaska state representative, on-the-side consultant and self-described frugal person, cannot pay his credit card debt.

As a representative he makes financial decisions every day that affect Alaskans and appears not able to manage his own finances.

Perhaps even sadder than Kohring is that the majority of people in District 26, Wasilla, seem to feel this is the best person they can get to represent them. I read his aides claim some are talking about creating a defense fund for him.

People, please take off the blinders! His motto may not have changed but the man has. When Kohring and several other Republicans were elected in 1994, their slogan was "throw the bums out." Two of those people, Bev Masek and Scott Ogan, have already left the Legislature, both under dubious circumstances.

I believe in the saying "what goes around, comes around," and now is the time. I hope Mr. Kohring resigns, but if not, let's throw the bum out.

FBI - Stevens-1049

Kathie Wolf lives in Wasilla.

Caption:

CHRIS MILLER / The Associated Press

Rep. Vic Kohring, R-Wasilla, right, talks with Rep. Jay Ramras, R-Fairbanks, on the House floor in Juneau earlier this month. A federal grand jury indicted Kohring on May 4 for conspiracy to commit extortion and bribery.

Caption:

Photo 1: 7kohring1_051807.jpg

194A-AN-13620-M;483

**Top lobbyist admits scheme -
Influence money funneled to Rep. Tom Anderson, Bobrick testifies
BILL BOBRICK'S LEGISLATIVE CONSPIRACY**

Anchorage Daily News (AK)

May 17, 2007

Author: LISA DEMER

Anchorage Daily News

Staff

Estimated printed pages: 5

Lobbyist Bill Bobrick admitted in federal court on Wednesday that he conspired to bribe former state Rep. Tom Anderson.

Asked by U.S. District Judge John Sedwick how he pleaded to a felony charge of conspiracy, Bobrick answered in a clear, steady voice: "Guilty, your honor."

For years, Bobrick has stood out in Anchorage as the lobbyist claiming the -longest list of private clients with city business. Some of the biggest players in the development and retail worlds have hired him over the years, including JL Properties, Wal-Mart Stores and Marlow Development Corp. This year, he had five clients, but all say they have dropped him in recent days and weeks because of his legal troubles.

"I've been a professional lobbyist for the last 20 years," Bobrick said at Wednesday's court hearing.

He accepted responsibility for a scheme to funnel payments to Anderson through a sham company so the legislator would do the bidding of a private corrections company. Details of the company in court filings match a description of Cornell Companies Inc. of Houston, Texas, which has tried and failed to win support for a private prison in Alaska.

The conspiracy to commit extortion, bribery and money laundering started in July 2004 and continued until March 2005, charging documents say. In all, \$26,000 changed hands, court papers say.

Bobrick, 52, now is cooperating with the government. He has agreed to testify against Anderson, who was indicted in December on seven charges including bribery, extortion and money laundering. Anderson has pleaded not guilty.

Bobrick will be sentenced after Anderson's trial, which is scheduled to begin June 25. Bobrick faces 2 to 2 1/2 years under sentencing guidelines, but that can be reduced based on his cooperation.

"The judge was pretty clear today. It's a serious crime. He might give you a sentence that is more than the government recommends. That is a risk that Bill decided to take because he wants to do the right thing. He is really trying to move forward," said Doug Pope, Bobrick's defense lawyer.

At one point in the hearing, as the judge questioned Bobrick on whether he was suffering from any condition that could impair his judgment, the accused man said he was being treated for depression. He said he takes medication and receives counseling, but didn't feel his condition affected his ability to go forward.

RELEASED ON BOND

Anchorage Assemblyman Allan Tesche sat next to Bobrick's sister Elizabeth in the courtroom. When the 30-minute hearing ended, prosecutor Joe Bottini huddled for a moment with Bobrick.

Tesche shook Bobrick's hand but wouldn't talk to reporters. Elizabeth Bobrick said she didn't want to be interviewed either. She came from her home in Connecticut to be with her brother, Pope said. FBI - Stevens-1050

Bobrick was stone-faced as he walked out of the courtroom and into another area for processing. He didn't acknowledge a request for comment.

Essentially, Bobrick now must be ready for "continuous cooperation with the government," Pope said. "It's out of my hands."

Bobrick was released on a \$5,000 unsecured bond. With permission of a federal probation officer, he'll be allowed to travel out of state, including to visit his wife, a medical student in Minnesota.

According to court papers, an FBI informant working for the corrections company paid \$24,000 to Bobrick's Pacific Publishing. Bobrick gave \$10,828 to Anderson and kept the rest, the documents say. Anderson later

complained he wasn't getting enough and was paid another \$2,000 by the government informant, according to the indictment against him.

Bobrick created Pacific Publishing to ostensibly publish a Web site about Alaska government and politics that Anderson would write for. But in reality, the company was just a way to get money to Anderson and hide the real source, court papers say.

In a secretly recorded conversation on July 21, 2004, Bobrick told the informant that he and Anderson were "pitching a bunch of people" to try to get money for Anderson. If the corrections company paid up, Anderson would be "our boy in Juneau," Bobrick told the informant.

Between August 2004 and March 2005, Bobrick was aware of "multiple official acts" that Anderson took to benefit the government informant, the charging document said.

CLIENTS CUT TIES

All five clients Bobrick worked for this year have cut their professional ties to him. They are: Marlow Development Corp.; garbage hauler Alaska Waste; Lantech, a surveying company; Cook Inlet Housing Authority; and mall developer P.O.B. Montgomery.

"You need to have the confidence of elected officials that you are dealing with them on the straight up," developer Marc Marlow said. He had turned to Bobrick for help on a number of projects, including a tax break for the renovated McKinley Tower downtown. He said he severed his relationship with Bobrick in April after news broke about the coming guilty plea.

Lantech vice president Tom Dreyer said the company gave Bobrick the benefit of the doubt in recent months, but in the past few days saw what was coming. The company had hired him to monitor the Anchorage Assembly, which has been rewriting the city's land use code.

Bobrick worked as a technical consultant to the housing authority on a tax break it just won for an 80-unit development in Muldoon, said Amy Burnett, a spokeswoman for Cook Inlet Housing. In mid-April, it canceled its contract, she said.

Alaska Waste inherited the Bobrick lobbying contract when it bought the assets of Waste Management in May 2005, said Bobby Cox, general manager of Alaska Waste. But now its relationship with him is over, too.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

Who did Bill Bobrick work for?

Bill Bobrick long was the lobbyist in Anchorage with the most clients doing business before the city. The following list comes from his reports to the municipal clerk's office from 2001 through 2007. He worked for some just a year or two; for others longer. He no longer has any clients because of his legal troubles.

Alaska Interstate Construction LLC

Alaska Regional Hospital

Alaska Waste

American Fast Freight

Anchorage Board of Realtors

Anchorage Cultural Council

Anchorage Downtown Partnership

Anchorage Home Builders -Association

Anchorage Horticulture Coalition

Anchorage Mutual Housing

Anchorage Neighborhood Housing Services

FBI - Stevens-1051

Anchorage Police Department Employees Association

Anchorage Refuse

Anti-Tobacco Coalition

Carr-Gottstein Properties

Compass Northwest LLC

Cook Inlet Housing Authority

Cornell Companies Inc.

Eklutna Inc.

Forest Heights LLC

Goldenvue Land Co.

International Association of Fire Fighters Local 1264

JL Properties

Lantech

Marc Marlow

Marlow Development Corp.

Marlow Towers LLC

Paratransit Services

P.O'B. Montgomery

Siebert Brandford Shank and Co.

Simon Property Group

Smart Growth

Wal-Mart

Waste Management

White Raven Development

Williams Alaska Petroleum Inc.

INSIDE

CLIENT LIST: See who Bobrick worked for.

FBI - Stevens-1052

Page B-2

TO READ the Bobrick charging document, plea agreement, political corruption timeline and more political stories, visit

adn.com/corruption

Caption:

ERIK HILL / Anchorage Daily News

Bill Bobrick leaves the Federal Building downtown Wednesday morning accompanied by sister Elizabeth Bobrick of Connecticut after pleading guilty to a single count of conspiracy in U. S. District Court.

adn.com

Anchorage Daily News

Print Page

Close Window

Six vie for Peninsula mayor's job

Daily News staff

(Published: August 17, 2005)

Six candidates will compete in the Oct. 4 election for Kenai Peninsula Borough mayor, including a former state senator, a longtime Kenai city mayor, the current borough Assembly president, and a top aide to the incumbent mayor, Dale Bagley, who is prevented by term limits from seeking a third term.

Signs have already sprouted around the borough for the race for mayor, the most important local office in the region. In the Kenai Peninsula's strong-mayor system, the elected mayor serves as borough administrator and manager.

With so many candidates, an Oct. 25 runoff election is anticipated, borough officials say. A candidate would have to win more than 50 percent of the vote to win outright in the first round.

Candidates for the nonpartisan office include:

- John Torgerson, a former Republican state senator from Kasilof. A borough Assembly member before going to Juneau, he has recently served the Murkowski administration with posts in agriculture and the ferry system.
- John Williams, mayor of the city of Kenai for 18 years. A longtime Democrat, he ran unsuccessfully for lieutenant governor in 2002.
- Gary Superman, a three-term borough Assembly member from Nikiski currently serving as president.
- Ed Oberts, a Soldotna resident and longtime assistant to Bagley. He has not held elective office, other than serving on a local emergency services area board.
- Raymond VinZant, a Soldotna resident who has made several previous unsuccessful runs for office, including as Republican Moderate candidate for governor in 2002.
- Fred Sturman, a Soldotna resident active in a local government-spending watchdog group, the Alliance of Concerned Taxpayers.

The deadline for candidates to file was Monday.

Voters will also fill several borough Assembly and School Board seats and decide on five ballot propositions.
FBI - Stevens-1053

Print Page

Close Window

Copyright © 2005 The Anchorage Daily News (www.adn.com)



adn.com

Anchorage Daily News

Print Page

Close Window

Ex-state senator spending his own money in Kenai legislative race

The Associated Press

(Published: July 30, 2004)

KENAI (AP) - Former state Sen. Jerry Ward has dumped nearly \$140,000 of his own money into his campaign to unseat incumbent Sen. Tom Wagoner, according to figures from the Alaska Public Offices Commission.

In a campaign summary Monday, Ward listed some \$21,000 in monetary contributions from others, another \$4,830 in non-monetary contributions and \$124,126 in "candidate contributions," meaning funds from Ward's own bank account or credit card. Ward previously had contributed another \$10,000 of his own money.

Wagoner, R-Kenai, told the Peninsula Clarion it is appalling that someone would spend that much on a campaign.

"That's the most obscene thing in the world," he said. "I can't imagine the people letting someone spend that kind of money out of their own pocket to try and buy a Senate seat. The voters of District Q are a little more sophisticated than that."

Ward said he's spending much of his own money because he no longer appears to have the backing of some campaign investors.

"I think what we have in Alaska is that special interests and large corporations tend to invest in those legislators that they feel more comfortable with. That would not be me," he said. "I thank all those who have worked and contributed to my campaign."

The July 26 summary covered the period beginning Feb. 2. Ward started with about \$15,500 in his campaign war chest, which included \$10,000 of his own money contributed in January.

FBI - Stevens-1054

Ward's total income was close to \$170,000.

According to the summary, Ward listed \$88,372 in expenses as of that date, leaving him with \$81,298 in the bank.

Among his recent expenses was about \$30,000 in radio advertising, most of it to KSRM Radio Group.

Wagoner listed his campaign income as a little more than \$49,935 with expenses of \$47,337, leaving about \$2,741 cash on hand. Wagoner said he put in \$1,000 of his own money last fall.

✓ 194A-AN-13620-
7/30/2004 4:56 PM

Ward said he's been working in real estate over the past year, adding that, "Alaska has been good to me."

He said he had put in as much of his own money as he could and would have liked to put in more. He wants the Senate seat back, he said, because the state has to live within its means.

"We need legislators that understand they are not to touch the permanent fund and that you don't raise taxes and don't keep spending. I stand ready to stop doing that," he said.

Ward said campaigns in Alaska are expensive, especially Senate campaigns on the peninsula.

"This one won't be any different," he said, adding that he believes the citizens of the peninsula will support him.

Under state law, candidates may contribute as much as they wish to their campaigns. Candidates also may lend their campaigns any amount, but they can only recover \$10,000.

Alaska state senators are paid a base salary of \$24,012 annually, and are compensated for expenses.

[Print Page](#)

[Close Window](#)

Copyright © 2004 The Anchorage Daily News (www.adn.com)

FBI - Stevens-1055

Lobbyist accused in bribery conspiracy -**BILL BOBRICK: He is set to plead guilty this morning in District Court.**

Anchorage Daily News (AK)

May 16, 2007

Author: LISA DEMER

Anchorage Daily News

Staff

Estimated printed pages: 4

Bill Bobrick, for years the lobbyist with the longest list of private clients with city business, has been charged with a single count of conspiracy stemming from a scheme to bribe former state Rep. Tom Anderson.

Bobrick, 52, is scheduled to appear in U.S. District Court this morning to plead guilty to a felony charge of conspiracy to commit extortion, bribery and money laundering. His sentence may ride on his future cooperation in the case, court papers say.

The prosecution says in court papers that Bobrick and Anderson began conspiring in July 2004. Bobrick created a sham company to funnel payments to Anderson in exchange for his doing the bidding of a private corrections company in the state Legislature, the prosecution says.

Prosecutors quote Bobrick telling an informant that he and Anderson were "pitching a bunch of people" to get money for the legislator.

Anderson was indicted in December on seven felony counts including bribery, extortion and money laundering. He has pleaded not guilty. His trial is scheduled to begin June 25.

The case laid out against Bobrick almost mirrors the allegations against Anderson.

Even after Anderson was charged, Bobrick continued to lobby for clients on city issues. About a month or so ago, he began telling people, including his longtime friend Mayor Mark Begich, that he was going to plead. After a story about his intentions to plead appeared in the Daily News, he's been noticeably absent from Anchorage Assembly meetings.

Bobrick is cooperating with the government and has agreed to testify against Anderson, according to a motion filed by prosecutors. They want Bobrick's sentencing delayed until after Anderson's trial. He faces two years or longer, but that could be reduced.

"He's deeply remorseful about having committed a crime and he wants to start doing the right thing," said Doug Pope, Bobrick's defense attorney.

Bobrick becomes the seventh person to be charged in a corruption investigation that burst into public view last summer with the searches of state lawmakers' offices. Anderson, state Rep. Vic Kohring, former Reps. Pete Kott and Bruce Weyhrauch and Veco Corp. executives Bill Allen and Rick Smith have been hit with charges. Allen and Smith have pleaded guilty.

BOBRICK CLIENTS

Bobrick registered this year to represent five clients who have business with the city.

They are: P.O.B. Montgomery, the developer of a mall in Mountain View; Alaska Waste, the city's biggest garbage hauler; Marlow Development Corp., which is behind a number of big projects in Anchorage; Lantech, a surveying company; and Cook Inlet Housing Authority. The latter just won a 10-year property tax break from the Assembly for its Creekside Town Center housing project in Muldoon.

FBI - Stevens-1056

At least one client has already cut ties to Bobrick. David Irwin, president of P.O.B. Montgomery, said he alerted Bobrick at the start of May that the company would no longer employ him. He said Bobrick understood.

"It was just very clear where this thing was heading that we had to just stop the arrangement," Irwin said.

Bobrick's other clients didn't return phone calls on Tuesday to talk about whether he still represents them.

The charging document and other materials that lay out the case against Bobrick don't name the private prison company, but the description of it matches Cornell Companies Inc. of Houston, Texas, a publicly traded corporation. Cornell operates six halfway houses in Alaska.

Cornell, along with partners Veco and Allvest founder Bill Weimer, failed in recent years to win public support for private prison proposals in Anchorage, Delta Junction, Kenai and Whittier. It also failed to win state approval for a juvenile psychiatric treatment center in downtown Anchorage.

A lobbyist for the prison company -- who was working as a government informant and who has not been identified in court papers -- paid a total of \$24,000 to Bobrick's Pacific Publishing, according to court documents. Bobrick turned over \$10,828 to Anderson and kept the rest, the documents say. Anderson later complained he wasn't getting enough and was paid another \$2,000 by the government informant, according to the indictment against him. The informant matches the description of Frank Prewitt, a former state corrections commissioner who went to work for Cornell.

'OUR BOY IN JUNEAU'

In a secretly recorded conversation on July 21, 2004, Bobrick told the informant that he and Anderson were "forming kind of like a partnership" and were "pitching a bunch of people" to try to get money for Anderson. Bobrick said it would be great if he could get the corrections company to hire Anderson through him, and then Anderson would be "our boy in Juneau."

Among other things, Anderson testified at a public hearing in Anchorage on Nov. 17, 2004, in support of Cornell's request for a state certificate to run a juvenile treatment center. He told state officials that he wasn't at the meeting on behalf of any group but could endorse Cornell because he had seen "how they function and work."

The state's tape recorder at the meeting malfunctioned, and parts of Anderson's testimony were garbled, according to a transcript provided by the state. Bobrick also was there.

Between August 2004 and March 2005, Bobrick was aware of "multiple official acts" that Anderson took to benefit the government informant, the charging document said.

Bobrick was executive director of the Alaska Democratic Party in the 1980s and later became a registered lobbyist in Anchorage.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390. Reporter Kyle Hopkins contributed to this story.

INSIDE

LOBBYISTS: An Assemblyman wants to ban those with felony convictions.

[Back Page](#)

DOCUMENTS: Visit the Web to read the Bobrick charging document, plea agreement, political corruption timeline and more recent political corruption stories.

adn.com/corruption

FBI - Stevens-1057



Wednesday, December 26, 2007 - Page updated at 01:49 AM

Permission to reprint or copy this article or photo, other than personal use, must be obtained from The Seattle Times. Call 206-464-3113 or e-mail resale@seattletimes.com with your request.

Foreman: Stevens remodel figure is way off

By Tony Hopfinger
Special to The Seattle Times

An oilfield-services company provided more than \$150,000 worth of labor renovating the home of U.S. Sen. Ted Stevens, according to a project foreman who is cooperating in a federal investigation of Alaska's senior member of Congress.

Employees of VECO Corp., the oil contractor, provided months of work during the 2000 remodeling, which roughly doubled the size of the senator's home in Girdwood, Alaska, said David Anderson, who supervised the job.

Anderson, who said he testified before a federal grand jury about the remodeling, is a former employee and nephew of VECO founder Bill Allen.

Anderson's labor estimate is of interest to federal investigators as they examine the relationship between Allen and Stevens, who for years has ranked as one of the most powerful members of the U.S. Senate.

The remodeling involved VECO labor, materials, subcontractors and other expenses. For federal investigators, key questions are the total cost of the project, and whether VECO picked up part of the tab as Allen sought to gain favor with Stevens.

At the time of the work, Stevens was at the peak of his political power, chairing the Senate Appropriations Committee in a Republican-controlled Senate and directing billions of dollars of federal spending. He also has helped shape energy, fisheries, telecommunications and other federal policies of major importance to the Pacific Northwest.

Unusual search

In late July, FBI agents took the extraordinary action of removing the lock to search Stevens' Alaska home, and spent much of the day taking measurements and gathering other evidence. The raid thrust the Justice Department investigation into the public spotlight and has ramped up pressure on Stevens.

Stevens, 84, told reporters last summer that he and his wife paid all the remodeling bills that were passed onto them. In a letter to a supporter, he put that amount at "more than \$130,000."

"While I ... would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work," Stevens said in a statement released to The Seattle Times.

Anderson, 48, said the total remodeling cost, including materials and subcontractors, was way above \$130,000.

"We did all kinds of stuff, so it's ludicrous to think that it's only \$130,000," Anderson said in a November interview. "Labor alone was more than that."

Anderson said he cannot provide a full account of all the costs because he never received a project budget from Allen and did not review all the expenses. Also, he said Stevens never asked for an estimate.

Stevens and his wife, Cathy, were in Washington, D.C., during much of the renovation, but they did visit the home several times during the work, with Cathy taking an interest in choosing the final interior touches, Anderson said. Otherwise, he said, the couple seemed "nonchalant" about the remodeling.

A bitter feud

Anderson said he has been told by FBI agents that he could be called to testify should Stevens be indicted and charged with a crime. Anderson said he worked for VECO for 25 years and helped in other political tasks, including the welding of a pork rotisserie used at annual campaign fundraisers hosted by Allen for U.S. Rep. Don Young, Alaska's lone House member.

Anderson does have detractors.

They include his uncle, Allen, the VECO founder who in May pleaded guilty to bribing state legislators and is cooperating with federal investigators. In 2004, Allen fired Anderson, and the men have since been locked in a bitter feud, according to Anderson. Anderson agreed to his first interview with a reporter because he is upset with Allen's public statements, which include allegations of blackmailing against Anderson.



Ted Stevens, R-Alaska, is under federal investigation.



FBI agents searched Stevens' renovated Alaska home in July for evidence in the federal investigation.

FBI - Stevens-1058

194A-AN-13620-m 488

A VECO subcontractor on the Stevens remodeling, who has testified before the federal grand jury, also takes issue with Anderson. That subcontractor, Augie Paone, was an important part of the renovation as he framed the first-floor addition and finished the interior.

In a November interview, Paone said Stevens wrote him checks totaling about \$100,000 for the work. Paone believes the remodeling could have cost — if all the work was done more efficiently — around \$130,000 to \$150,000. That is close to the figure Stevens cited earlier this year.

Paone contends that, while he was working in Girdwood, VECO did not contribute much to the job, and Anderson's presence was mostly to keep Allen informed of progress.

"His impact was minimal because no matter what, he had to go through Bill [Allen] for everything, and if he wasn't there, I would have gone through Bill to get things done," Paone said. "He didn't really speed up the job."

Anderson said Paone is wrong: "I busted my ass on Ted's house." He said VECO's labor costs were high because its workers were paid by the biggest oil contractor in the state.

Paone was hired halfway into the project, Anderson said, because VECO's expertise was mainly in the oil industry and commercial projects — not residential construction.

During the renovation, Anderson said, he helped move a water line, build two decks and custom-weld a metal staircase, as well as carry out other tasks ranging from stringing Christmas lights to delivering a new queen-size bed to the senator's house.

Project's beginning

Allen, 70, founded Anchorage-based VECO in 1968 and built it into a worldwide oil contractor with nearly \$1 billion in annual revenue. He became a campaign contributor and friend of Stevens'. The two men even shared ownership in a racehorse.

In spring 2000, Anderson said he was sent to clear brush at the small house in Girdwood. Shortly thereafter, Allen summoned Anderson to a penthouse suite at Alyeska Resort to brainstorm how to expand the house.

"Once Bill had his mind set on the job, it was almost as though you couldn't stop him," Anderson said.

For Allen, this past year has been an abrupt descent. He resigned from VECO, which was then sold to a Colorado company. He faces prison time as a result of his May plea agreement and he has served as a government witness in federal bribery trials of two former state legislators.

This fall, during cross-examination in one of those trials, Allen testified that VECO provided materials and several employees to work on Stevens' house. When asked in another trial a few weeks later by a defense attorney if the remodeling was a "gift" to the senator, Allen answered, "No."

Others who knew Allen personally said it is possible Allen failed to forward Stevens every bill. Former state Sen. Rick Halford said that when he was serving in the Alaska Legislature in the late 1990s, Allen had Anderson work on his floatplane dock and other VECO workers spray-insulate his airplane hangar.

Halford said Allen, his friend at the time, never sent him a bill, so he wrote VECO a check for what he believed was a full reimbursement.

"I was making sure I covered myself because when Bill helped you out, you sometimes had a hard time trying to find out what to pay for," said Halford, who has not been contacted by the FBI.

Allen's attorney did not return calls seeking comment for this story.

Anderson, who now lives in a cabin by a remote Alaska lake, said he has not been charged with any crime. He said his career with VECO abruptly ended when he began dating his uncle's former girlfriend.

Anderson said Allen was furious and threatened to harm him.

While testifying in the bribery trial of a former Alaska legislator, Allen accused Anderson of blackmailing him over the Stevens remodeling. Anderson denies the blackmail allegation and said the dispute was over the girlfriend.

Relations were so bad between the two that Allen's lawyer at the time drafted a 10-page settlement in which Anderson and Allen agreed to never contact each other again. In return for signing the contract, Anderson said, he received \$30,000 from the firm of Allen's lawyer.

Tony Hopfinger is a freelance writer in Alaska and can be reached at thopfinger@gci.net. Seattle Times reporter Hal Bernton contributed to this report. He can be reached at hbernton@seattletimes.com

Copyright © 2007 The Seattle Times Company

FBI - Stevens-1059



Internet Explorer cannot display the webpage

[Submit a classified ad](#) | [Subscribe](#) | [Contact](#) | [Press Online Services](#) |

[Calendar](#) | [Classifieds](#) | [Personals](#) | [Live Music](#) | [Movie Guide](#) | [Archives](#) | [Press Facts](#) | [Advertising](#) | [Home](#) |

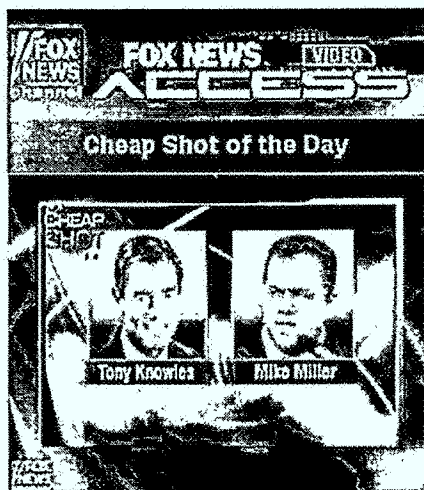
Vol. 13, Ed. 24 June 17 - June 23 2004

ANCHORAGE'S MOST WIDELY-READ WEEKLY NEWSPAPER
 Anchorage Publishing, Inc. 540 E. 5th Avenue Anchorage, Alaska 99501
**FLASHLIGHT**

Mike Miller's makeover

North Pole Republican Mike Miller already faces two Alaskan household names in his race against U.S. Senator Lisa Murkowski and former Governor Tony Knowles for Murkowski's Senate seat. So it probably didn't help Miller's cause

when media juggernaut Fox News aired the wrong photo with his name during a brief segment called "Cheap Shot of the Day."



The clip, which aired Tuesday, June 15, appeared during the popular "Hannity & Colmes" show, which for the uninitiated, pairs aggressive Limbaugh-like conservative Sean Hannity with mousy liberal Alan Colmes for roundtable shouting matches and interrupt-a-thons. The "Cheap Shot" segment appears to be a regular spot that targets allegedly unfair campaign ads. In this case, Colmes blasted Lisa Murkowski for an ad that contrasts Murkowski with Knowles and Miller.

[CLICK HERE FOR LAST TEN COVERS!](#)**Anchorage Press Advertisers**

Internet Explorer cannot



Internet Explorer cannot



Internet Explorer cannot

ARCHIVE SEARCH

Use our search function below to search for all the Anchorage news, past and present!

FBI - Stevens-1060

In the clip, Fox aired a tan and grinning Tony Knowles flanked by a young man of indeterminate race and political affiliation. This guy is definitely not the white, middle-aged Mike Miller we know and love.

Lisa Murkowski's camp didn't know Colmes' attack was coming, but the network's error made it easy to shrug off. "They should have some concern about their research department," said Murkowski spokeswoman Kristin Pugh.

- Kyle Hopkins

So long, bully!

Perhaps it's inevitable. Perhaps children are bound to be cruel to other children. Perhaps it can't be stopped, the elbow in the side while walking down the hallway, the name-calling, the jeering, the wedgies, the big, lumbering boy waiting around the corner. Perhaps that's just human nature. Doesn't everybody have a good bullying tale? Isn't bullying a staple in nearly all coming of age stories, from Cinderella to Great Expectations to Harriet the Spy?

But sometimes things go too far, with terrible consequences. We don't need to go as far as Colorado to find such stories. In lawyer Dennis Maloney's office in Midtown earlier this year, a group of parents talked about their children being bullied. They spoke of disinterested teachers, administrators, other children's parents. They told how their children come home from school in tears day after day, threatening never to go back. They talked about the shame and humiliation.

These parents gathered at Maloney's request. He was looking for volunteers for his conference, "Bye Bye Bullies: Violence Prevention Under the Midnight Sun," which runs Sunday, June 20, through Tuesday, June 22. Nine nationally known experts on school violence will give speeches at the Discovery Theater and workshops at the Egan Center. One presenter is Dr. John Hoover, chair of the Special Education Department at Minnesota's St. Cloud State University, and author of three books on bullying. In an interview before the conference, he said, "There has never been such a group of nationally known people in violence and bullying ever assembled in one place."

As of four days before the conference, about 100 people had signed up to attend. Forty-four were teachers from the Mat-Su School District. Only one teacher from the Anchorage School District had registered. Anchorage School Superintendent Carol Comeau said she's encouraged teachers to attend, but the district isn't sponsoring the conference.

"As you can imagine, this is an awkward situation for us," Comeau said.

The awkward situation she's talking about stems from

PRESS WRITERS

Select a name below to search the archives for articles by our regular writers.

---Choose Your Favorite Writer---

Search

FBI - Stevens-1061

the person who spawned the conference. The person is simply known as "Tom." He suffers from permanent brain damage and is confined to a wheelchair. Tom, a once gifted student at Central Middle School, used to be interested in science and math, wondering how buildings were built and how stars were formed. Now, Tom has a blank stare and is fed through a feeding tube.

In 1998, when Tom was in eighth grade, he tried to hang himself. His parents say he attempted suicide because he was the target of relentless bullying. In 2000, Tom's parents filed suit against the school district, claiming school administrators didn't do enough to end the bullying. The parents and district reached an undisclosed settlement.

In the lawsuit, Tom's parents alleged that Central Middle School's administrators, including the principal and vice principal, were at least somewhat aware of their son's problems but did nothing to stop them. In fact, Tom got punished when he called attention to the bullying. School policy dictates that anybody involved in an altercation, regardless of who's at fault, faces a punishment, according to testimony by the principal in charge of Central Middle School at the time Tom says he was bullied. That policy is still in effect; although school officials say they've become more vigilant at implementing anti-bullying programs.

Maloney represented Tom's parents in the suit against the district. Maloney is using some of the proceeds from the undisclosed settlement to organize the bullying conference. "It's the one truly altruistic thing I've done in my career," he said.

Maloney, too, has a son who was bullied in school. The lawyer knows how horrifying it can be as a parent. He got tears in his eyes when he spoke about Tom and other children who are being "permanently scarred" at school every day.

Jeff Deitz is among the parents that have met with Maloney to share their children's problems with bullies. In a telephone interview, Deitz said his son was getting picked on in Ocean View Elementary School so badly that he talked about committing suicide. Last semester, Deitz said he transferred his son to Faith Lutheran School, where he is doing much better. The experience at Ocean View changed his son. "He's not as sweet as he used to be," Deitz said. At least he now has new friends, Deitz said, and most importantly, he's alive.

FBI - Stevens-1062

- Amanda Coyne

Alaska Aces battle Gin Kings

Flashlight usually finds reporting on namesakes nothing more than tedious. They require things like checking and double-checking facts. Like, was it Jim Jr. or Jim Sr. who got caught with his pants down in front of the

playground? Flashlight never thought a namesake could lead somewhere interesting - that is, until we heard about the other Alaska Aces who play in the Philippine Basketball Association.

The Alaska Aces are owned by Alaska Milk, a company based outside of Manila in Makati City, Philippines. The company proudly claims on its website to be the Philippines' second largest importer of milk products. The PBA is made up of corporate-owned teams, so the Ace's rivals include the Coca-Cola Tigers and the San Miguel Beermen. During Gran Matador PBA Fiesta Conference play - which is in post-season play this month - the University of British Columbia and a U.S. Pro-Am team also play PBA schedules.

The Aces play two consecutive conferences (read seasons) each year, general manager Joaquin Trillo told Flashlight over the phone from Makati City. One conference is "all-Philippino," the second is "reinforced" with one "import" player per team. The Aces' current import is Galen Young, a 6'5" American (a giant by Philippine standards) who was once drafted by the Milwaukee Bucks, but never played for the NBA team. Young averages 25.2 points per game in the PBA - but don't assume the ball is always going to him. Young also leads the Aces in assists, with 7.2 per game.

The Aces racked up ten championships in the 1990s, but lately they've been "rebuilding," Trillo said. "We did win one conference championship last year, but sometimes our inexperience comes into play," Trillo said.

The Aces won an automatic berth into the quarterfinals of the current tournament, but fell to the Tigers and the Barangay Ginebra "Gin Kings." The Aces post-season is almost certain to end this week, as the round-robin style tournament continues. "We were in the top two teams going into the playoffs ..." Trillo said. "We still have a chance, but not much of one."

Incidentally, as a product name, "Alaska Milk" goes back to 1972, and the people responsible were neither Alaskan, nor Philippine. The official word is that no one knows why they chose the name. "That's a one million dollar question that's been asked over and over again," said Rick Ramos, a company spokesman. "Alaska was a brand that was previously imported to the Philippines from Holland." The earliest Alaska products were canned and dry milk products. "Now we have fresh milk too, but that's actually imported from New Zealand," Ramos said.

FBI - Stevens-1063

Go figure. Go Aces!

- Scott Christiansen

Uncle Ted's horse with no name

Ted Stevens is



climbing the ladder of the country's richest senators, and though he lost ground on some investments in 2003, a new report shows he finished the year tens of thousands of dollars ahead. Stevens has done best at investing in real estate, but he's also dabbled in other ventures. Stevens says he has a stake in a racehorse and oil interests in Oklahoma, according to a statement of his investments, which he is required to file as a senator. He also owns about 10 heifers and a bull with his mother-in-law in Arizona. That and a fishing group awarded the senator a sled dog last year.

Stevens' finances have drawn close attention in the past two years because of his ties to Jonathan Rubini and Leonard Hyde, two of Alaska's biggest developers. Last year, the Press, the Anchorage Daily News and the Los Angeles Times ran articles exploring the link between Stevens and partners Rubini and Hyde. The reports stemmed from a \$50,000 investment Stevens made in 1997 with one of Rubini's companies, JLS Properties. Stevens estimated that by 2002 his investment had rocketed to between \$750,000 and \$1.5 million. In the years after Stevens made his initial investment, Rubini's main company, JL Properties, scored hundreds of millions of dollars in federal contracts, including a National Park Service building in downtown Anchorage and a contract to privatize housing on Elmendorf Air Force Base. Rubini and Stevens both say the senator didn't use his political power to influence those contracts.

On Monday, June 14, new financial disclosure reports became available, offering a look into Stevens' holdings in 2003. Not much has changed. Stevens reports that he still owns a stake in at least four businesses that list Rubini and Hyde as stockholders. Among the properties are a 10-story office building in Midtown that houses the headquarters of Arctic Slope Regional Corporation, an Alaska Native corporation, and a garage and parking lot on Bering Street, where the municipality maintains city vehicles. Stevens reports that his stake in those businesses lost about \$43,500 last year, but he still values his investments with Rubini and Hyde at \$700,000 to \$1.5 million.

Stevens reported that his biggest income last year came from a deal unrelated to Rubini and Hyde. Stevens netted \$129,000 from the sale of a condominium in Bay Harbor, Florida. He made another \$65,000 off a stake in a subdivision development in Grantsville, Utah.

FBI - Stevens-1064

Stevens ranks 34th on the list of the richest senators, with a net worth of about \$1.4 million, according to estimates based on the senator's financial disclosures and a CNN report this month. Presidential candidate John Kerry is the richest senator, with an estimated \$163.6 million. Because senators must disclose any big-ticket gifts they get, Stevens reported that the Kenai River Sportfishing Association gave him a sled dog as part of a public service award. Stevens then bought the dog's brother for \$250.

One of the most random investments in Stevens' portfolio is 10 percent ownership of a racehorse through a company called Alaska's Great Eagle. The spokeswoman at the senator's office declined to give the horse's name or racetrack record - Stevens gets a shred of privacy, she said. Records filed with the state show Stevens isn't the only big-time Alaskan with a stake in the horse. Bill Allen and Carl Marrs are listed as partners in Alaska's Great Eagle.

- Kyle Hopkins

Concert Ticket: \$25.00

Silly String: \$2.79

Sobering up in the Anchorage Jail...

There's nothing in the police report about how a can of Silly String got into the Adema concert at the Egan Center on Friday, June 11. Flashlight can only surmise that concert security doesn't always catch every little stringy thing that comes through the door. We can also imagine that the Silly String Bandits brought their contraband intending on having some good clean fun. But somewhere along the way, things took a violent turn and the pair, (he is 21, she's 19), wound up in jail. They were accused of damaging property and punching people in the head, according to Anchorage Police Department spokeswoman Anita Shell. The formal charge is disorderly conduct. The security guards seemed to have given the Silly String Bandits at least one opportunity to stop, according to APD. "They had been previously warned of their conduct by security.

That's when they came back in and started punching people in the head," Shell said. A chain-link fence was damaged to the tune of \$600, bent under the weight of the Silly String Bandits. APD was told that the cost of cleaning Silly String off of some high-up Egan Center windows is estimated to be \$100 to \$200. Both bandits had bail set at \$1000 and were eligible for release only after they sobered up.

- Scott Christiansen



Anchorage Press articles, commentary, news, reviews, features and calendar are copyrighted by: Anchorage Publishing, Inc. 540 E. 5th Avenue Anchorage, Alaska 99501. For information call 907-561-7737. Website development by Press Online Services.

FBI - Stevens-1065

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

July 8, 2005 Friday, FINAL EDITION

ANWR oil should be shared, three say; EXEMPTION: Arctic Slope has a deal that excludes other Native corporations.

BYLINE: By PAULA DOBBYN, Anchorage Daily News

SECTION: MONEY; Pg. F1

LENGTH: 952 words

Three prominent shareholders of Cook Inlet Region Inc. want every Alaska Native -- not just those on the North Slope -- to share the financial rewards of oil produced from the Arctic National Wildlife Refuge.

Robert Rude and Gosta Dagg, directors of the Anchorage-based regional Native corporation, and former state senator and CIRI shareholder Jerry Ward, say ANWR should stay closed to development unless Arctic Slope Regional Corp. is required to share revenue from land it owns inside the refuge.

"We have an obligation to protect our shareholder rights," Rude said this week.

Rude, Dagg and Ward are trying to get Congress to overturn a key provision of a 1983 land trade that gave Arctic Slope 92,160 acres of oil rights within the Arctic refuge and exempted the corporation from sharing with other Natives a portion of the revenue it could earn from oil and gas development. Under the federal law that created them, regional corporations typically share with other Native corporations 70 percent of profits from oil and gas production, mining, logging, and other resource development. It's commonly referred to as the "Share the Wealth" or "Robin Hood" clause.

The three CIRI shareholders want Congress to include in any legislation that lets oil companies onto the refuge's coastal plain language to also end Arctic Slope's revenue-sharing exemption.

With ANWR estimated to contain 10.4 billion barrels of oil, which is now selling for nearly \$60 a barrel, Arctic Slope stands to earn a bundle, Rude said.

"It's a staggering amount of money," he said.

Arctic Slope's position is that the oil comes from Inupiat land and its benefits should stay within the corporation and its shareholders. Arctic Slope's exemption from the revenue-sharing requirement was spelled out clearly in the land exchange, said Richard Glenn, vice president of lands for Arctic Slope.

"This issue was decided long ago," he said.

FBI - Stevens-1066

Glenn said Arctic Slope traded surface land for subsurface oil rights and that's what makes it exempt from revenue-sharing. Arctic Slope's position was upheld by the American Arbitration Association in 1989 after two other regional corporations, Aleut Corp. and Bristol Bay Native Corp., challenged the lack of wealth sharing.

That may be, Dagg said. But it's something that has burned him and others for more than 20 years, he said. It's time to revisit the 1983 deal, Dagg said, especially since the possibility of opening ANWR to development has gained momentum in Congress this year. He is talking to as many Natives as he can, including at CIRI shareholder meetings, to raise awareness, he said.

Many people running Native corporations these days weren't in charge in 1983, Dagg said. A lot of Native executives don't even know that Arctic Slope owns land inside the refuge, much less that the Barrow-based company doesn't have to share the fruits of ANWR.

Arctic Slope was exempted from the revenue-sharing requirement under a land trade with the Department of Interior that government

auditors concluded in 1989 was a raw deal for most Alaska Natives and American taxpayers in general. Under the land exchange, Arctic Slope traded 101,272 surface acres near Chandler Lake in Gates of the Arctic National Park, valued at \$5.9 million, for oil rights under 92,160 acres of ANWR. The value of this subsurface tract was estimated at \$395.5 million, according to a government report.

Congress never got to vote on the land transfer. At the time, congressional approval was not required for land trades the interior secretary made with Native corporations. That changed a short time later.

The Government Accountability Office -- then called the Government Accounting Office -- in its 1989 report found that the Interior Department undervalued the refuge land.

The GAO also concluded that the land exchange hurt most Natives because it excluded the revenue-sharing provisions. The public did not have a chance to review and comment on the land exchange before it was done.

Federal and state officials and Alaska Natives told the GAO at the time that had they had the opportunity to comment on the land exchange, they would have objected to many of its provisions, the agency said.

Arctic Slope rejected the GAO's conclusions. As far as sharing the wealth is concerned, Arctic Slope said it acted in good faith and complied with a profit-sharing settlement agreed to by the regional corporations. That agreement exempts profit sharing when surface land is traded for subsurface. The GAO report says Arctic Slope's lawyers were frank about structuring the exchange so it was not subject to profit sharing and was designed to protect the interests of the company and its shareholders.

The CIRI directors and Ward, who was narrowly denied a board seat in a corporate election last month, say it's not too late to right what they see as a historic wrong.

"We want this fixed," Ward said.

Unless things change, more Alaska Natives are going to build alliances with environmental groups opposed to ANWR drilling, Ward said.

In May, Rude sought help from Sen. John McCain, R-Ariz., chairman of the Senate Committee on Indian Affairs, and Rep. George Miller, D-Calif., a member of the House Resources Committee. Miller objected to the land exchange two decades ago and requested the GAO audit.

Rude said McCain responded with a letter saying he would consider the matter. Miller has yet to respond, Rude said.

The three CIRI shareholders said they are acting as Alaska Natives and not on behalf of CIRI.

None of Alaska's three congressional members could be reached for comment.

Daily News reporter Paula Dobbryn can be reached at pdobbryn@adn.com or 257-4317.

LOAD-DATE: July 9, 2005

LANGUAGE: ENGLISH

GRAPHIC: Rude; ; Ward

FBI - Stevens-1067

TYPE: Staff

Copyright 2005 Anchorage Daily News

Find Your
Graduating Class

I graduated in:

1995	^
1985	
1975	
1965	
1955	v

classmates.com

TPM MUCKRAKER.COM

*They've got muck.
We've got rakes.*

« previous | MUCK HOME | next »



Rep. Don Young (R-AK)
(House Website)

Experts Question Legality, Ethics Of Young's Earmark

By Laura McGann - August 10, 2007, 5:06 PM

There are earmarks, and then there are *earmarks*.

Rep. Don Young (R-AK) has taken the political art form to an ethically questionable level that even some experts in the trenches have never seen. In 2005, Young waited until after the House and Senate passed a transportation bill, but before the president signed it into law, to rewrite a passage that would have granted \$10 million for an interstate in Florida. His new wording targeted the money to a much smaller, more specific project to connect Coconut Road to that interstate. It's an unpopular project in the area, but a boon for real estate developer Daniel Aronoff, who held a \$40,000 fundraiser for Young in Florida just before the earmark appeared.

Young has refused multiple requests for comment from different publications on these, and related allegations. Once he made an *obscene gesture* at a *New York Times* reporter who approached him about the earmark. His spokeswoman did not get back to us today.

I asked a few experts today for historical and ethical perspective on Young's move.

Former staff director of the House Appropriations Committee, Scott Lilly, said this is a very atypical procedure. Once the bill has been voted on by the House and Senate, only some very technical changes can be made by the clerk. Then it goes to the President.

"The committee chair really doesn't have any control over the bill at that point," Lilly said. "There are some really arcane things that you can do, but you would have to pass a resolution directing the enrolling clerk to make the change, but that would have to pass both Houses. There is very little the enrolling clerk can do. I don't know that they can change spelling mistakes."

The changes made by Young are far more substantive than spelling errors.

"To say it's unusual isn't enough," said Keith Ashdown of Taxpayers for Common Sense. "It is an anomaly that we have never seen before."

FBI - Stevens-1068

104A-AN-13620-M;491

Normally, members of Congress who want to clarify how an earmark is to be spent, outline the details in an accompanying report. These reports are only advisory, but are often followed to avoid falling out of favor for the next time an appropriation rolls around. Ashdown pointed out that the 2005 legislation was Young's last chance to oversee a transportation bill, which only come up every six years, as a committee chair. Advice from a sitting duck committee chair wouldn't carry the same heft as language in the law.

"[Young] knew that because this was a controversial project in the area, the only way to make sure his benefactor got the money was if he wrote it in the statute," Ashdown said.

So what can be done now that the change carries the force of law?

The executive director of Citizens for Responsibility and Ethics in Washington said she thinks there's virtually no chance of the famously inactive House ethics committee pursuing the issue.

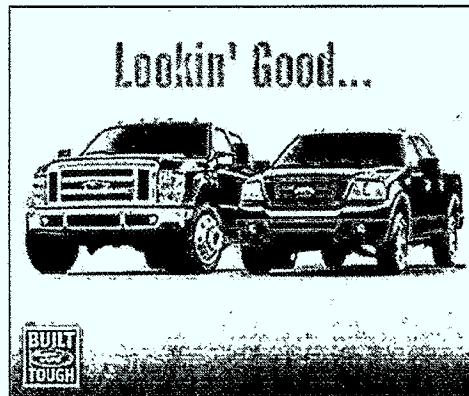
"I think that this is a highly unlikely thing for the ethics committee do anything about," Melanie Sloan said.

Still, theoretically, another member of Congress *could* file a complaint against Young. Craig Holman, the campaign finance lobbyist for Public Citizen, said this issue could be taken up by the courts, by either a private citizen or another member of Congress.

"If anyone can just change the language of a bill carrying it to the President, then why even have a Congress?" Holman said.

P. malink | TOPICS: Don Young

A VERTISEMENT:



FBI - Stevens-1069

[return to the homepage](#) | [post a comment](#)

Comments:

So, how is this any different than the language that got inserted about recess

appointments late last year by Arlen Specter's staffer? Obviously, something is getting changed that shouldn't be -- and the Repubs are circumventing the rules.

Posted by: Sojourner
Date: August 10, 2007 5:18 PM

Sojourner, I think that Arlen's staffer inserted that language before it was voted on. This is after both houses passed it - they really aren't supposed to change it at that point!

Posted by: P J Evans
Date: August 10, 2007 6:03 PM

OK -- I remember now that the staffer inserted it into the conference bill. Thanks...

Posted by: Sojourner
Date: August 10, 2007 6:09 PM

I'm pretty sure the change about recess appointments was made *before* the final bill was passed. Sneaky, but it was in the text being voted on and there to see if anyone had the time/ took the trouble to look for it before voting on the final bill.

The issue here is that the final text of the bill that was passed by Congress was *not* the same text that was sent to and signed by the President. I don't see how that could possibly pass Constitutional muster.

I was surprised to hear that even spelling mistakes could be corrected at that point; sounds like Scott Lilly who surely would know didn't think that was possible either.

Posted by: NitPicker1
Date: August 10, 2007 6:11 PM

Phil Moyers' Journal had a piece on earmarks incl Young's coconut rd earmark.
<http://www.youtube.com/watch?v=x7VUvdhgXsY>

Posted by:
Date: August 10, 2007 7:48 PM

FBI - Stevens-1070

Phil Moyers' Journal had a good piece on earmarks incl Young's coconut rd earmark.
<http://www.youtube.com/watch?v=x7VUvdhgXsY>

Posted by: Bill W
Date: August 10, 2007 7:49 PM

Getting pissed here in Alaska. Dirty Don doggone Young. What a pig.

Posted by: aklocal
Date: August 10, 2007 9:50 PM

If Bush signs the bill, with the ostensibly unconstitutional change inserted, what version of the bill (that from the House and Senate or that which appears on his desk) applies? Or is law? Since Bush has made alot of mis"prioritization" of transportation bills, this would be a fine time for him, if he's made aware of the change, to send it back for correction.....if he really believes in legislation at all.

Posted by: deRougemont
Date: August 10, 2007 10:36 PM

I don't understand how this can generate so much doubt--the piece of paper that the president signed was never passed by congress. It's that simple. Whether or not the REST of the act, the part actually voted upon is still in force might be a subject for discussion, but unless congress passed legislation with boilerplate language saying that "in addition to the sorts of corrections we allow the clerk to make before sending the bill to the white house we also want crooked congressmen and women to be able to add corrupt pork for the benefit of their fat-cat pals", I don't see how this should take more than 2 seconds to figure out. Yeah, I know, knucklehead signed it--big deal. The constitution also says that all legislation originates with the Congress. If this didn't originate with congress, it's no law.

How would this be any different than a congressman getting every copy of a bill printed by the Gov. Printing Office and pasting in a corrigenda saying--"oh, and give my pal carwinrpc a gazillion dollars?"

Posted by: carwinrpc
Date: August 11, 2007 8:34 AM

There have been several similar cases. Eugene Volokh wrote on this topic with respect to a lawsuit alleging that a controversial change was made to the medicare bill in 2004, and Hastert signed the document saying that it had passed the house of representatives knowing that the document he signed did not match what was voted on by the house.

The general rule is from Field v. Clark, 143 US 649 (1892). "The version of the bill signed by the leaders of both houses and presented to the president is the authoritative text of the act, and the courts have no authority to look to committee reports or other parol evidence to impeach it."

FBI - Stevens-1071

The quoted sentence is discussing rules of evidence, so it is not clear (to me) what a court would do if the fact is indisputable.

Morris Pearl

Posted by:
Date: August 11, 2007 10:40 AM

This is different from the president signing something that has not been passed, because this bill was presented to him signed by the presiding officers of both houses as being passed by their houses (which is the standard procedure for bills being passed). The speaker of the house and the presiding officer of the senate each sign the bill. Eugene volokh wrote a piece some time ago concerning a similar case in 2004, where the house and senate passed different versions of the medicare bill. Apparently someone on the house side changed "13 months" to "36 months" in a controversial section (or maybe vice versa, I don't remember) and Hastert signed the bill knowing that it was different from the bill as passed by the house of representatives. Someone sued. There have apparently been several cases like this before, and the controlling supreme court opinion seems to be from *Field v. Clark*, 143 US 649 (1892), which says that "...the version of the bill signed by the leaders of both houses and presented to the president is the authoritative text of the act, and the courts have no authority to look to committee reports or other parol evidence to impeach it." Although that sentence is talking about a rule of evidence. It is not clear what would be the ruling if there were no facts in dispute.

2. Morris Pearl

(Sorry if this is posted twice, I am still figuring out the comment system.)

Posted by: Morris Pearl

Date: August 11, 2007 10:50 AM

Don't you make me sick. Sooo many up here love the pork he produces and are willing to put up with the proclivities he seems to produce. To me though, he is the epitome of what's wrong with this country. Poles working for corps with lots of cash and slinging largess in all the rich directions. 12 billion a month for a war of aggression, young has no problem with it. 10 million for a few roads unwanted freeway interchange, no problemo. Toilets for eskimos? No problem, by god they can work for it. lazy natives. Yeahhhh don't you love the great. Uh... fucker.

Posted by: sickinalaska

Date: August 11, 2007 11:26 AM

1. Aha! At last an opportunity for a signing letter, refusing to implement that earmark, that will show just how "justified" and "necessary" signing letters really are.

2. Who comes up with these things? Who came up with this particular one? Are there lobbyists who actually compete to figure out ways around the constitution on behalf of these relatively minor projects? (I say relatively because it would seem like a tool like that is wasted unless it can be used to crush some huge special interest's bogeyman?

FBI - Stevens-1072

3. The code "parcel," which makes this what kind of post?

Posted by: BG124C41

Date: August 11, 2007 2:12 PM

"...a voice from a sitting duck committee chair wouldn't carry the same heft as language in the law."

Shouldn't that be LAME duck?

Posted by: Northwest Gypsy
Date: August 12, 2007 12:43 AM

Suspicious wording is the new way to put the pork in their pockets, considering how they used it in the DOJ recess appointments.

Surely there needs to be a law, or a freshening of the existing law, that decertifies any such subterfuge.

And severe penalties, at the felony level, for those who so casually re-direct our tax money towards their personal circle of beneficiaries.

Posted by: JEP
Date: August 12, 2007 10:00 AM

"So what can be done now that the change carries the force of law?"

Does it? Shouldn't this type of theft already be covered somewhere in the myriad laws we have on the books?

Seriously, is there no law that prohibits profitable rewording on the part of special-interest, surely there's something 'midst the myriad regs that already covers this?

Posted by: JEP
Date: August 12, 2007 10:15 AM

I think there are still many unanswered questions involving this "post-passage/pre-signing" earmark.

1. Did the money get spent on the road? If so, issues of legality and constitutionality SHOULD kick in.
2. Also, a KEY issue -- how long has this practice been going on? As Morris I said suggest above, this Florida earmark may be just the first time people NOTICED. So much more needs to be followed up here to determine what exactly has been going on both in Florida and more generally. When combined with the partisan circus that was house-senate conference reports under President Bush with Bush's signing statements, one should legitimately wonder what projects actually get set in motion with recent appropriation bills. I'm wondering if someone (perhaps in the blogosphere) needs to go back and look.

FBI - Stevens-1073

Jared D

Posted by: Jared D
Date: August 12, 2007 12:54 PM

I read somewhere that the Florida Highway Commission is going to attempt to use the appropriation in its originally-designated manner, applied to the larger portion of highway, and not just the Coconut Rd. interchange.



A BETTER JOB AWAITS

alaskacareerbuilder.com

Anchorage Daily News: Alaska's Newspaper

[Search Archives »](#)
[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [blogs](#) [classified](#) [alaska.com](#) [help](#)

[news](#)
[entertainment](#)
[life](#)
[money](#)
[obituaries](#)
[opinion](#)
[outdoors](#)
[sports](#)
[blogs](#)
[weather](#)
[shopping](#)
[jobs](#)
[cars](#)
[homes](#)
[rentals](#)
[deals](#)
[ads from print](#)
[alaska.com](#)
[rss feeds](#)
[adn store](#)
[adnmail](#)
[crossword puzzle](#)
[blogs](#)
[help](#)

'Discretion and tact are essential'

Posted: July 12, 2007 - 4:38 pm

Want to make \$4,000 a month investigating politicians' shenanigans?

Apply here to be APOC's new (and only) investigator.

[add new comment](#)

\$ 4K thank-you note to the FBI ...

A better use of the \$4000 per month would be for the State to put it in an envelope each month and send it to the FBI with a note saying: "Thanks and keep up the good work!"

I'm no big fan of the feds running Alaska. But I've got to hand it to them. They are doing ethics clean-up work that the State can't and likely never will be able to do themselves.

now tkelley | July 13, 2007 - 9:46am

[reply »](#)

question

how independent is APOC and APOC-staff from the Governor's Office?

new Stags_Leap | July 13, 2007 - 8:38am

[reply »](#)

How independent from Ruedrich?

That's the real question.

Tact, and discretion? Is that a code for Political Correctness? You know, the brand that Ben Stevens' supporters on APOC's board used to plea for leniency and compassion for the punk.

Were they showing mere tact and discretion by not properly investigating Metcalfe's strong and repeated allegations against Ben's use of bribery and political influence peddling?

Maybe you forgot to add the "good attitude" requirement, too - the brand that makes you feel wonderful even when you turn your head away from facts and land the whole state in the wrong mafia neighborhood, because at least you feel happy when you hand over the extortion checks each month. Oh to be in the wrong place, feeling so good...

So yes, send the \$4g's monthly to the FBI until 2015 or whenever they finish cleaning up APOC's

FBI - Stevens-1074

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



[The Trail 2006 campaign blog](#)

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

Ads by Google

[Alaska state job](#)
[State Jobs at](#)
[HotJobs Search](#)
[Location, Industry,](#)
[Keyword](#)
www.hotjobs.com

[Alaska DP \(Local 600\)](#)
[Steven L. Rychetnik,](#)
[SprocketHeads](#)
[Alaska's Film & HD](#)
[Production HQ](#)
www.sprocketheads.com

[Alaska Employment](#)
[We offer local](#)
[search in your](#)
[area. Find Alaska](#)
[Employment Here!](#)
Alaska.Local.com

[Alaska MLS Listing \\$299](#)
[Why Pay 6% ?](#)
[Direct Access to](#)
[Alaska MLS.](#)
www.congressrealty.com

194-AN-13620-MW; 492

PC mess. They are simply required to do professional law ENFORCEMENT - not get all soft and touchy about hurting the crooks' feelings.

As Metcalfe proposes, get the law enforcement aspect handled outside APOC - but first, put all the election, disclosure and campaign finance laws under one new Chapter. When the People petition for improvements, they aren't required to check a column on the initiative for "I've been PC, or tactful, or discrete" in order to protect their rights from bad politicians and PC agencies' failures. But they might want a checkbox for "all this corruption has given me a bad attitude, and 'I'm not going to take it any more'."

new staufen | July 14, 2007 - 8:11am

reply »

Small spenders - 7/16/2007
8:32 pm

Mental illness and guns
(UPDATED) - 7/16/2007 4:43
pm

Candidate Harris - 7/16/2007
10:39 am

Lots of lawyering - 7/16/2007
10:01 am

Replacing Kohring - 7/14/2007
2:28 pm

Should dogs be banned from
ballfields? - 7/13/2007 12:22
pm

No free wi-fi? - 7/13/2007 12:17
pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are
essential' - 7/12/2007 4:38 pm

full archive »

APOC is not a law enforcement

agency in the sense that, say, the Troopers are. It has no real investigative staff and is charged only with enforcing and reporting CAMPAIGN finance law.

If the facts AS ASSERTED in a complaint would constitute a violation, it gets referred to the board for a determination. They don't really look into whether the assertions are true or rebuttable unless and until a formal hearing is convened.

The real issue here is the NOBODY really is charged with overseeing compliance with the law by either executive or legislative branch officers and employees. Everything depends on someone making a credible complaint or somebody inside the government with enough horsepower deciding to do something; a place where angels fear to tread.

Alaska really, really needs an independent Inspector General sort of office charged solely with overseeing compliance with State law. And even with statutory independence, it will be subject to the same political forces as I describe in the reply to Stag's question. You can have all the authority in the world on paper, but if your office doesn't have windows, your seat flushes, and you have no staff or budget, that authority doesn't mean much.

new Black3 | July 14, 2007 - 8:33am

reply »

Yeah, an independent IG

That can enforce MERIT SYSTEMs

Wasn't that your job and part of enforcing PERA?

But then a state system like the link would be lame as APOC and subject to pardon,s too.

Good thing it's the Feds involved.

Unless the president pardons you CBC's, it's prison. I don't think the Governor could help if she wanted.

new edgefinder | July 14, 2007 - 9:13pm

reply »

Love it!

Don't forget to put the lid down.

new palmerbuyer | July 14, 2007 - 12:16pm

reply »

Technically, it is an exempt agency

that administratively resides in the Department of Administration. The

FBI - Stevens-1075

employees technically work for a Board that is appointed by the Governor and confirmed by the Legislature. Terms are staggered, so a Governor would have to be in his/her second or third year to have a board exclusively of his/her appointees. The employees are all either exempt or partially exempt and are non-union, so they don't have either merit system or contractual protections. That said, no public employee, including exempts and PXs, really "serves at the pleasure," so they have some protection from wrongful discharge but would have to go through the Courts using their own resources.

OK, that was the textbook answer. In reality, no State employee with ministerial authority or in a ministerial agency is truly independent from political authority. It is the rare Governor (or staffer) or Commissioner/Director who will come right out and tell someone with ministerial authority "do this" or "don't do that," though I've seen some brazen enough to do it. While they won't usually do it overtly, they can certainly let you know what they want to happen and make your life exceedingly uncomfortable if it doesn't happen. Your travel gets special scrutiny, your spending gets special scrutiny, you lose positions, your budget gets cut or you don't get a necessary increment, you get hauled over to spend quality time with a legislative committee or have some "personal moments" with a legislator - the Com's Office, OMB, and legislators all play that game for people who "don't play well with others."

Even without all that, the actions, management, and even the staff of any ministerial agency are on the auction block in every gubernatorial election. Even for merit system employees, doing one administration's bidding can cause the next administration to put a laser dot on your forehead; I've seen whole State functions literally sold for campaign support, investigations stopped, meritorious lawsuits dropped - I could go on for a while.

And just because it's you, Stag; it isn't a Republican thing. They do it, but not very well. The Democrats are masters at it, and since they're "good people" the Press never looks twice when they axe classified employees and eliminate whole functions because some interest or contributor wants it. And if you want to get argumentative about that, I can get REAL specific.

new Black3 | July 13, 2007 - 9:29am

reply »

Please Do

Your insight is enlightening.

new twentythreeskidoo | July 13, 2007 - 9:50am

reply »

Yeah, Blackir

Yeah, give us the dirt on how the State Management can punish and reward arbitrarily for reasons instead of merit.

More on the Murkowski Partonization scheme, too. Tell us how you were HELPFUL setting it up with the hiring freeze and HR consolidations..

new edgefinder | July 14, 2007 - 12:46am

reply »

Incredible...

Just another way to waste money. Another bureaucrap position earning money for doing nothing. We know how hard these State workers work at "not" doing work.

new alaskapat528 | July 13, 2007 - 5:58am

reply »

Unless you've actually worked at

a meaningful level in State government, you have no idea how State employees work. I won't deny that there are pets and sinecures, but you'll find most of them in the Exempt Service because some elected or appointed official put them there; talk to your legislator or the Governor about that - I know who and where they are and they aren't hard to find.

FBI - Stevens-1076

In the classified service, the vast majority of State employees, most give the State an honest day's work for a day's pay, and the pay is nothing to write home about. The Alaska economy generally, and State employment specifically, missed the '90s, and State pay is less than most of the munis and isn't remotely competitive with any states other than in The South nor is it competitive with the federal government. Upper level classified managers, supervisors, and professionals have left the State in droves over the last decade and those who've remained stay only because they are Tier One PERS and close to retirement. The recruitment and retention problems are particularly acute with skilled trades, managers, degreed professionals, and with law enforcement and other occupations that require a background check and a drug test. With Homeland Security, TSA, an increasing prison population, growing law enforcement, increased reserve and NG mobilization, etc., the whole Country is pretty much out of people who can pass a background check and pee in a bottle.

new Black3 | July 13, 2007 - 8:55am

reply »

I most certainly do...

I worked for the State so I am very well aware of what goes on within the State. One of the problems people complain about is the fact that SBS Insurance is mandatory. It's a good thing but it's a big chunk out of your paycheck. Then there is P.E.R.S., and the waste of union dues. Having worked in the private sector most of my life I was accustomed to giving a full day's work and working hard. I found this to be not so during my employment with the state. Employees who played around and put the work on lower level staff and bragged that nothing could be done to them due to their tenure and the union. So yes, I know all about working for the State.

new alaskapal528 | July 14, 2007 - 5:30am

reply »

528

Here's the fed's take on how the mandatory stuff becomes corrupted.

Figure 3 is a good explanation of how the corruption works for them.

new edgefinder | July 14, 2007 - 8:07pm

reply »

you have no idea how State employees work

But we have an idea that you are corrupt, and were appointed to retire.

And that the FBI came to the state looking for ethics violations that and that you retaliate against people required to report them.

I would say that you are part of an association in fact with AFSCME, would you?

Their "e" stands for extortion.

new edgefinder | July 13, 2007 - 12:48pm

reply »

And you're still fired, aren't you

moron? If you have a charge, make it formally instead of just sitting here spewing s**t.

new Black3 | July 13, 2007 - 1:32pm

reply »

"Spewin" at the Federal Court

Like before, I am choosing the venue well for local rules and you will have a chance to answer why a treaty was violated when the Federal Gov. funds "Adequate and In Place" programs. A good case for fraud there.

FBI - Stevens-1077

I think San Jose. Good for you?

I figure it is not a stretch to call you association in fact of the AFSCME, as you seem to share so many e-mails that correctly allege violations you collectively ignore.

What's up with your Mgt. Services friend? Is he going to Prison? Seems like JC is probably sweating it about now.

If you have any connection with the state left, it would be wise of you to contact them and suggest correcting the mistake you made, because there is lots of trouble that maybe won't come your way.

DOJ is not missing a beat, and you still say "*few if any convicted?*" You are out of touch.

Your head just like a radial tire, becomes unsafe when overinflated. You are overdue for a shrink.

Maybe it is time you check with the program

new edgfinder | July 13, 2007 - 2:06pm

reply »

I have absolutely no concerns

about anything I did or didn't do. As to "friends" with the State, I considered them a useless and usually dangerous luxury; at most you have allies from time to time. Now go back to your fantasies.

new Black3 | July 13, 2007 - 2:40pm

reply »

BTW

Are you fantasizing about Acquittals?

new edgfinder | July 13, 2007 - 8:05pm

reply »

It's no longer just what you

It's no longer just what *you* did. It is the pattern and literally cast of characters you associate with who commit acts in furtherance of certain objectives that are of questionable intent.

Sorry to hear you have no more friends at the state. They probably won't need any fabrications to scapegoat you.

You ignored crimes. New ethics legislation in the state [AK] that can be tested in California Federal Courts.

Just like your defective thought could to my retirement, my job, property, your retirement can now be partially taken away. Should have done the right thing long ago, Buddy.

Just like retaliatory transfer I will effort that you learn empathy by removal from your situation and into another of limited or no choice of your own.

Willful ignorance is cowardice , Monty.

How about Seattle Venue? You Like Seattle? There was a fraud by a state worker there, in the State's response to a Federal Agency. I can prove it and so they could take Jurisdiction.

But then again Maybe San Jose is better for local rules. Wait I guess It' s Fresno or Sacramento

WHAT DOES YOUR LAWYER SAY?
WHAT DOES WAYNE REGLIN'S, or DEPUTY KEVIN'S LAWYER SAY? Post it here. I'm all for keeping this a transparent deal since it's the GOVERNMENT more or less.

FBI - Stevens-1078

Not like I need to go around passing the *curse of the writ* to everybody else, but it's just time to be put back to work one way or the other and I figure spread the writ around to some Teir I& II's that know and know better.

I figure we need to test out the new ethics law ASAP, and as high up the system for starters, on you and some others that there is adequate evidence. Kind of like when someone goes to have a contract enforced by ASEA. You go to your pension account and for some reason they'd just love to help you but money (that you thought was in from state contribution) just isn't in the deal anymore.

San Jose/ Bay Area.

It is the association and the evidence presented that you reasonably should have a clue. And some of the evidence you have no clue about directly relates to why Santa Clara County, or close to the bay area.

So there, If you aren't in on the AK Grand Jury, you probably know where to shop for an attorney.

It's been nice having this talk about corruption in the State, Monty.

Maybe we can check up again in a week or two if you aren't too busy with other things. I'll try to be around a computer sometime in my travel.

new edgefinder | July 13, 2007 - 7:07pm

reply »

Your psychotic drivell speaks for itself

n/t

new Black3 | July 13, 2007 - 8:18pm

reply »

Is it drivell or an internet

Is it drivell or *an internet rumour*. Or an Alaskan *urban legend*.

Or is it a humongous hoodwink.

Just shootin' ya straight Monty, you know that. I don't beat around the bush. It's Hurricane Latrina and it's makin' landfall. Residents are soon to be displaced to 'facilities.'

Oh, and silly me, you don't get an attorney when you talk to the Grand Jury. Hopefully we can gather evidence that way though.

new edgefinder | July 13, 2007 - 8:24pm

reply »

Why can't we all just get along?

?

new AK_Lady | July 13, 2007 - 10:23pm

reply »

FBI - Stevens-1079

Get Along?

Get along down to the Federal Penn...

Blackir had his opportunities. It's just an opportunity for me, right?

I do get to see the result of my toil

sometimes.

new edgefinder | July 13, 2007 - 11:24pm

reply »

And the new Tier IV

PERS system isn't going to help. If people think that State employees are simply wasting oxygen now, just wait a few years...

new uapuck16 | July 13, 2007 - 10:20am

reply »

Make up your mind, folks

Do you want more oversight over legislators/candidates? If so, you need investigators, or bureaucrats.

new Valley_Dude | July 13, 2007 - 8:15am

reply »

That is obviously a job that

they want to SAY they're doing and not do at all. Nobody in their right mind who knows anything at all about either government or investigation would take that job for that money. I didn't look at the posting, but 4K is about a Range 16 or 18, which translates into a nobody in the very rank conscious State government.

OK, now I did go look, and they made it partially exempt as well, which is as close to "serves at the pleasure" as a State job gets. So, you get potentially one of the most controversial and confrontational jobs in State government for lousy pay and no protection.

new Black3 | July 13, 2007 - 4:40am

reply »

That is obviously a job

"That is obviously a job that they want to SAY they're doing and not do at all"

Sounds like what you did. Nothing...and nobody was 'protected' from your retaliations.

See the Idea is get away from the corruption you helped to incubate. You had the bad combination of being both cowardly and unethical to let it persist.

Friday the 13th and 26 indictments predicted? How far down is 26th indictment? Which convicts are these "few if any" you predict will be found guilty? I haven't seen an acquittal yet myself.

Few is a three, and the DOJ is on Vic, the fifth that will be convicted, and they're batting a thousand. Makes monty look like what Jake Metcalfe calls first degree stupid.

Answer the door for them *whenever* they come, or they might rip it off the hinges.

And sing like a Lark- it will make the new APOC investigator's job easier if the FBI makes a thorough cleanup of the LR /union scum.

new edgefinder | July 13, 2007 - 5:06am

reply »

FBI - Stevens-1080

Double up on the meds.

Days like Friday the 13th, like full moons, are hard on psychotics.

new Black3 | July 13, 2007 - 6:41am

reply »

My personal favorite APOC favorite

Gail Phillips - three ethics violations, including accepting donations during Session, and all she got was remedial APOC training in ethics. Now there's truly an outstanding Speaker of the House for Alaskans.

new michael_cathy | July 13, 2007 - 3:39am

reply »

Know the facts first

As an elected official, Gail Phillips was subject to criticism from the public. As her daughter, I have become accustomed to hearing and reading the condemnation against her, what a sad fact to say. I would ask, however, that you learn the facts before you make a public statement when you are criticizing someone. First, you need to know that reports to APOC were more complicated and both the donor and the candidates/legislators had to file APOC reports. One of the ethics violations charged against Gail was for 2 donations that were written in time, but were not received by her in Juneau until after the legislative session had begun. Gail returned the donations but did not report the return in a timely report, thus the citation from APOC. The other two ethics charges centered around her hosting a baby shower for a friend and displaying a campaign contribution - a beautiful quilt made by one of her constituents - in her legislative office. Hardly violations that prove that someone is unethical or immoral. Please also remember that anyone can file an ethics complaint against any elected official, even if the charge has no merit. These charges remain on the official's record even if they are dismissed by APOC as unfounded. Gail will always carry these charges on her record. She was remiss in the timing of one report to APOC and the other two charges were dismissed. You did get one part right however: Gail was truly an outstanding Speaker of the House for all Alaskans!"

new robin1 | July 13, 2007 - 1:32pm

reply »

Room 604

Since she was Speaker during part of the timeframe all these indictments and arrests are being made, it will be interesting to see what develops. VECO seems to have had free reign over the Alaska House for decades, somebody let them get away with it.

new michael_cathy | July 14, 2007 - 5:08am

reply »

Discretion and tact are essential

I guess that eliminates me, sounds like a fun job though.

new twentythreeskidoo | July 12, 2007 - 6:51pm

reply »

Bad Joke

How about paying a real salary for someone who can save us tens of millions a year? Sadly the State's priorities are upside down.

I am sure there are hundreds of bureaucrats that get a lot more and do absolutely nothing for the residents of Alaska.

BS

new BravoSierra | July 12, 2007 - 4:54pm

reply »

Not too worrisome....

When all the folks being accused of this, that and the other on the front page of The ADN and by some on the various blogs are jailed there'll only be about 3 people left running loose in Alaska.

\$\$ sound good for such a simple part-time job!

new rfn | July 12, 2007 - 5:54pm

reply »

Sounds Good!


Of course, they might want to consider someone from the Valley.

We already know how to identify fertilizer.

FBI - Stevens-1081



new palmerbuyer | July 12, 2007 - 3:53pm

reply »

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company 
Contact Us | Newsroom Contacts | Communication Forms | Subscriptions | Advertising | Terms of Use
Daily News Jobs | RSS Feeds | ADN Store | Newspapers in Education | Privacy Agreement

A member of the
Real Cities Network

FBI - Stevens-1082

We'll help you make room for life AND loans.

Consolidate your federal student loans
and you may lower your monthly payments.

[Find out how](#)

Anchorage Daily News: Alaska's Newspaper

[Search](#) [Archives »](#)

[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [blogs](#) [classified](#) [alaska.com](#) [help](#)

[news](#)
[entertainment](#)
[life](#)
[money](#)
[obituaries](#)
[opinion](#)
[outdoors](#)
[sports](#)
[blogs](#)
[weather](#)
[shopping](#)
[jobs](#)
[cars](#)
[homes](#)
[rentals](#)
[deals](#)
[ads from print](#)
[alaska.com](#)
[rss feeds](#)
[adn store](#)
[adnmail](#)
[crossword puzzle](#)
[blogs](#)
[help](#)

Lobbying

Posted: July 13, 2007 - 12:16 pm

Sorry for the delay. Here's a belated thread on today's city lobbying story ...

By KYLE HOPKINS
 khopkins@adn.com

(Published: July 13, 2007)
 Until this year, Bill Bobrick was the busiest lobbyist in the city.

A former director of the state Democratic party and friend of the mayor, he represented about three dozen different clients over the past five years, according to public records.

Suddenly, the go-to guy on city issues is out of the game.

His clients have disappeared. He's pleaded guilty to conspiracy in a federal corruption case and the Anchorage Assembly slammed the door behind him, passing new rules that ban anyone with a felony record from registering to lobby the city.

So, if you're well-connected, don't mind hours of meetings about zoning rules and can navigate the maze of bureaucracy: Help wanted.

Two candidates for Bobrick's former title have emerged in his wake -- one an ad agency owner and the other a former lobbyist who until recently worked for the city -- although neither has as many clients as Bobrick regularly served.

"There's a void right now," said Marc Heilenthal, an Anchorage pollster and political consultant who worked for Republican candidates in this year's Assembly races.

"This is a career opportunity for somebody out there," he said.

But what kind of career is it exactly?

Assemblyman Dick Traini said lobbying the city is like being a pitchman.

"They're not really selling a tangible product, they're trying to sell an idea. And they're trying to get enough of the 11 people (on the Assembly) and the mayor that they can get it brought forward."

Jim Lottsfeldt, who owns an ad agency, registered to represent three clients before the Assembly this year.

"Government sometimes is hard to understand or hard to work with," he said, "And so you bring in specialists to help. Same reason you hire architects and engineers."

Lottsfeldt said lobbying the Assembly is different than

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homelessness - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

Ads by Google

Need Physical Therapy?

Get The Care Your Body Needs Better Health Pain & Wellness Ctrs.
[www.bhpcw.com](#)

Alaska MLS Listing \$299

Why Pay 6%?

Direct Access to Alaska MLS.
[www.congressrealty.com](#)

Moving to Anchorage?

Browse current listings of homes in the Anchorage area.
[www.greatalaska.net/hou](#)

India BnB & Yoga Retreat

Affordable Anchorage Lodging. Fresh Indian & American breakfast
[www.indiainalaska.com](#)

FBI - Stevens-1083

194-AN3620-M; 493

lobbying the Legislature in Juneau because in Anchorage, Assembly members are going about their regular lives. They aren't living away from home in the rarefied atmosphere of the Capitol. Here, there's less wining and dining, he said.

Still, a successful lobbyist knows the local players by their first names.

"A lot of Bobrick's success simply was that he was politically connected," said David Dittman, a local pollster and consultant who works mainly for Republicans.

Bobrick ran the state Democratic party in the early 1990s. He donated at least \$1,000 to the campaigns of Assembly members Allan Tesche, Dan Sullivan, Dan Coffey, Traini and Mayor Mark Begich.

Begich was the best man at Bobrick's wedding in 1998 and the two have known each other for decades. Thursday, Begich said he never pushed anyone to hire Bobrick. In fact, people don't really need a lobbyist to do business with the city, he said.

"That's just bull. People want to come meet with me, they can walk through the door. If they want to go down to the Assembly, they can just show up."

Bobrick's conspiracy conviction involved passing bribes to former Anchorage Rep. Tom Anderson. On the witness stand, he said over and over that he regretted his actions.

The crime had nothing to do with city officials, he said in an interview Thursday.

"As someone that's lobbied for over 20 years, I've represented clients in front of (former mayors) Tom Fink, Rick Mystrom, George Wuerch and the current mayor, and countless previous Assembly chairs and assemblymen and -women," he said. "And the crime that I pled guilty to has nothing to do with any assemblyman, assemblyperson, or mayor, past present or future. It only involved Tom Anderson."

'GOOD OLD CAPITALISM'

Lobbying is about relationships, said Lottsfeldt, who also works on state issues.

"It's relationships and the same thing in Juneau ... understanding how government works and how to navigate within government."

Lottsfeldt has signed on with an old Bobrick client, mall developer P. O'B Montgomery, one of five companies that cut ties with Bobrick after he got in trouble.

Lottsfeldt said the company called him, and that he hasn't chased Bobrick's other clients.

Lottsfeldt said he got into city lobbying because he saw a way to earn some money. "Just good old capitalism."

Another new lobbyist moving in Bobrick's wake will be a familiar face for city officials: Kevin Bruce.

Until March, Bruce worked for the Port of Anchorage, which is a city job. He said he won't be able to lobby on port-related projects, but represents Alaska Pacific Environmental Services, developer JL Properties -- both Bobrick clients at one time -- and BP Exploration.

Bruce is a former owner and founder of the public relations firm Northwest Strategies and has worked as a lobbyist before. But the job has changed in the past year, he said.

In December, the Assembly approved new ethics rules that ban lobbyists or their immediate families from donating to the political campaigns of city candidates, or helping those candidates raise money. **FBI - Stevens-1084**

"You can't even support the people you like," he said.

Bruce earned a salary of roughly \$87,600 working for the port, according to city records.

During the Anderson trial, Bobrick said he made up to \$200,000 a year lobbying the Assembly.

That was news, even to local political junkies. Although the state requires lobbyists to report how much clients pay them, the city does not, even in the much-touted new ethics rules.

Small spenders - 7/16/2007 8:32 pm

Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm

Candidate Harris - 7/16/2007 10:39 am

Lots of lawyering - 7/16/2007 10:01 am

Replacing Kohring - 7/14/2007 2:28 pm

Should dogs be banned from ballfields? - 7/13/2007 12:22 pm

No free wi-fi? - 7/13/2007 12:17 pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are essential' - 7/12/2007 4:38 pm
full archive »

Bruce and Lottsfeldt wouldn't say this week how much they're being paid for their new work.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

[add new comment](#)

Scratch far enough

and you'll find some pretty good old ad hoc Democrat connections there too.

new Black3 | July 13, 2007 - 3:18pm

[reply »](#)

Scratch 'n Sniff...

Scratch far enough and you find out all kine'o shtuff went on under your nose there,too.

Sniff around...I guess for the years you worked for the state you must like the smell of Bovine Excrement or you'd have done your job to clean it up.

Hey- an new Idaho link where there's some of the CBC NAME DROPPERS ON THE ADN BLOG have used.

"Few of any will get convicted ?" you say, Monty? Which one hasn't been convicted?

I'm sure TA has trouble believing either. Vic beleived he wasn't a target after his Raid. Poor blissful stupidity.

new edgfinder | July 13, 2007 - 6:55pm

[reply »](#)

Shut up and go away;

you have absolutely nothing either sane or knowledgeable to contribute here.

new Black3 | July 13, 2007 - 8:03pm

[reply »](#)

Oh, c'mon blackie!!!!!!!!!!!!!!

why would you want him to stop? I once received a card that contained a universal truth that can't be denied:

No man is totally worthless. At least he can serve as a bad example.

new truthsoaker | July 13, 2007 - 10:45pm

[reply »](#)

We're loaded with bad

We're loaded with bad examples there at the SOA sometimes.

It's usually grounds for promotion.

Wait until the next writ and watch things happen.

Don't you like my embedded links, Monty? They're just especially for you so check them out.

new edgfinder | July 13, 2007 - 11:45pm

[reply »](#)

FBI - Stevens-1085

Didn't you like this post?

Didn't you like this post? It has links to your three most favorite people, You yourself and you.

Still working on the embedded links, but I kind of like it for effect. And puns.

Like the Labor / Management?

*Do they help AFSCME dip into every workers paycheck, **AND** the PERS or do they just SQUASH people who warned of the shortfalls which if heeded could have saved the state billions?*

And how about an objective outsider's look at revolving door corruption with the state and unions' BAs? Maybe with the FBI involved there can be a re-examination of these relationships that damage workplace moral, and foster crime and corruption in the SOA, and subvert contracts and statutes.

Tell us more about Meyer, Bacolas, Hammond and McClarence. And who are Baseden and Crowley, another couple of employees retaliated against for.. And by who? Threatening someones job is extortion.

We can clearly see the influence that is the way BP wants labor relations to be for their donations.

So Tell all on the ADEC investigation, Monty. And tell us of Political Appointee totalitarians being CASTOverboard at the Management Services from the ADEC investigation time period. What did that idiotic powerpoint link cost the state/ education budget and how was J.C. chosen for it?

Tell all Mr. Patronage- Alaska wants to beat Illinois' 79 convictions. Surely there are that many associated thugs. Did you get to hand out the thug points raises also? Sure you did, the job was not announced.

Quit the smooth over of Bovid Excrement. Stand tall, take your lumps, and as the thread says let us know what happened. You need to get over the cowardice.

Alaskans want to know, as well as DOJ and HSGAC. You may not know half of it but the half you do know is enough. Your association(s) in fact, Mail Fraud, Extortion, Perjury, Abuse of Process, Lacey Act violation, ESA problems, Treaty shrugged off, ethics violations, Only two predicate acts are needed. You might even get to be the "bobrick" of Labor/ Management corruption. or ""Sorch3- the the trilogy" Out of Alaska!

And speaking of lobby, don't you think more of those union jakes,et.al. ought to have to registering as lobbyists?

new edgefinder | July 13, 2007 - 10:06pm

reply »

Just lost your meds altogether, huh?

n/t

new Black3 | July 13, 2007 - 11:29pm

reply »

The people want answers about the shadowy underworld of the state's management goon squads. You can tell us, Blzck3, it's okay. It's Patriotic.

new edgefinder | July 13, 2007 - 8:41pm

reply »

FBI - Stevens-1086

Ad Hocs

It wasn't until your suggestion to dig deeper that I found two excellent articles that can be found online, about the "Ad-Hoc Organizing Committee For Young Democrats"

The first was written by Josh Medsker, then with the Anchorage Press and can be found here.

It's okay, its focus is primarily on the latter years of the Werehaus scene.

The second article that I found was written by Kim Rich for the ADN in 1986. You'll need to get your library card out to read that one, but trust me, for anyone at all who is curious about what Ad-Hoc was, by all means go and read it.

Here a 2 more excerpts:

Politics took over when a 31-year-old activist named Bill Weimar came looking for a place to live.

Weimar was a rabble-rouser. The FBI once documented his activities in a 128-page file that included descriptions of his involvement in the civil rights movement in West Virginia and antiwar organizing in Fairbanks.

At 6feet4 and 250 pounds, Weimar had a commanding presence, with his thick, jetblack hair and deep, husky voice. He operated in hyperdrive and had a gift for recalling telephone numbers. In his organizing days, Weimar would sit for hours with a telephone receiver pressed to one ear, dialing number after number organizing and cajoling, forging alliances and making enemies.

Weimar had quit his graduate history studies at the University of Alaska- Fairbanks to come to Anchorage looking for work. Political junkie that he was, Weimar soon gravitated toward Democratic Party politics. He learned that the Young Democrats were holding a meeting in Kenai. He and some friends decided to go down and take it over.

xxx

"My wife and I got dressed up. We were going to a meeting," Knowles said. "I heard afterward that they thought I was an insurance agent coming to sell them insurance because I had a suit and short hair."

THE WHEREHOUSE: OVER THE YEARS, IT'S BEEN HOME TO A VARIETY OF PEOPLE, CAUSES

Anchorage Daily News (AK)

December 30, 1986

Author: KIM RICH

Daily News reporter

Staff

new twentythreeskidoo | July 13, 2007 - 5:43pm

reply »

The Times were a 'Changin'

Going into 1974, Alaska was still the safest of old-time Democrat sinecures. The power structure was aging New Deal Era Democrats and their scions and the Party ran on Liquor's money, Natives' votes, and Labor's organization. If you couldn't give a contract to a friend, who could you give one to? Contemplate the Commissioner of Administration owning the gravel pit that the Department of Highways buys all the gravel to build the Egan Highway in Juneau from. And people talk about corruption now? The only question then was what happened to the \$968 MM from the Prudhoe Bay leases. Nobody really knows the answer to that even today. And for those of you who love to hate Juneau because it is considered to be a liberal bastion, it those days it was regarded as pretty much a rascally Republican town, Delegate Robertson, a Republican, having been unwilling to sign on to the Constitution.

The Ad Hoc Democratic Coalition sprang fully clothed into the '74 Campaign, comprised mostly of recent emigres, mostly recent college graduates or recent dropouts as the draft was winding down, and mostly McGovernites, though a few had been "Clean for Gene."

The Old Guard never saw it coming; it was quite literally a coup d'etat. They bolted Egan and backed Hammond and a whole bunch of young guys who not long before had had scoring an ounce or a gram as their major life activity were suddenly running the State; legislators, appointed officials, movers and shakers. What a long strange trip it was!

Wiemar and Parker were the high priests, some would say the Lenin and Trotsky. Just go look at the legislative Classes of '74, '76, and '78 though the wheels were beginning to come off after '78, and the appointees in Hammond's administration in those days. It all ended in a rather resounding crash with the House coup in '81, but by that time many of them were firmly ensconced in power and quite respectable. What a ride!

BTW, Kim Rich's book, "Johnny's Girl," is a really interesting look into ANC in the late sixties, early seventies.

new Black3 | July 13, 2007 - 7:49pm

reply »

good one blackie.....

FBI - Stevens-1087

there really is a lot of useful info on this blog. things they would never dare or be willing to print in the newspaper. so much for journalistic ethics.

It must really bug the editors that they can't control this anymore.

new truthseeker | July 13, 2007 - 10:51pm

reply »

Tell Tell....

Yeah, none of that stuff adds up to the corrupt bastards club , but names names, names give us names. Some of those people didn't change.

Give names to the grand jury. It is the wash. It all comes out in the wash. Work the deal so you get to keep at least some of your twilight years.

new edgefinder | July 13, 2007 - 9:00pm

reply »

So Is "Butcher, Baker"

My sister-in-law gave his kids piano lessons.

Larry Makinson's book could use some updating too.

new twentythreeskidoo | July 13, 2007 - 8:03pm

reply »

All those who decry recent events

as some sort of fin d'cicle event should go back and read "Going to Extremes" and "Coming Into the Country" for a view of what Alaska was like back in the good and pure old days. Most of the people in power in those days would steal a hot stove if they could figure out how to get their arms around it.

new Black3 | July 13, 2007 - 8:10pm

reply »

village journey

is a must read too.

new twentythreeskidoo | July 13, 2007 - 8:18pm

reply »

Agree

Spent a few years rattling around rural Alaska as a Fed. Not an experience I'd care to repeat.

new Black3 | July 13, 2007 - 8:21pm

reply »

Fed?

Janitor Route?

new edgefinder | July 13, 2007 - 8:48pm

reply »

FBI - Stevens-1088

Not to fear..

There are plenty of CB's to fill in over at the ADP, as evidenced by his replacement as party chair.

new edgefinder | July 13, 2007 - 1:49pm

reply »

[Contact Us](#) | [Newsroom Contacts](#) | [Communication Forms](#) | [Subscriptions](#) | [Advertising](#) | [Terms of Use](#)
[Daily News Jobs](#) | [RSS Feeds](#) | [ADN Store](#) | [Newspapers in Education](#) | [Privacy Agreement](#)

A member of the
Real Cities Network

FBI - Stevens-1089



Anchorage Daily News: Alaska's Newspaper

[Search](#) [Archives »](#)
[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [blogs](#) [classified](#) [alaska.com](#) [help](#)
[news](#)
[entertainment](#)
[life](#)
[money](#)
[obituaries](#)
[opinion](#)
[outdoors](#)
[sports](#)
[blogs](#)
[weather](#)
[shopping](#)
[jobs](#)
[cars](#)
[homes](#)
[rentals](#)
[deals](#)
[ads from print](#)
[alaska.com](#)
[rss feeds](#)
[adn store](#)
[adnmail](#)
[crossword puzzle](#)
[blogs](#)
[help](#)

Replacing Kohring

Posted: July 14, 2007 - 2:28 pm

Mat-Su Republicans have decided on three finalists to replace Rep. Vic Kohring, R-Wasilla, who plans to leave office this week:

-- Darroll Hargraves, a retired school district superintendent.

-- Wes Keller, a legislative staff member for Sen. Fred Dyson.

-- Colleen Sullivan-Leonard, a former Wasilla City Council member who works for the governor's office in the Mat-Su, and serves on the Wasilla Planning Commission.

Gov. Sarah Palin can choose from the list, or pick a different local Republican to fill Kohring's District 14 seat, according to The Associated Press. She has up to 30 days from the day he resigns to make a decision.

Who will it be?

[add new comment](#)

Tibbles and Bits

The governor might want to look a little harder to find her employees that mess around on their spouses.

Juneau is a hotbed (pun intended). She got rid of the best staffer she could have had. There is no one who she could have trusted more. She has appointees on Commissions who have been accused of sexual harassment, and other serious charges.

Think about it. And don't kid anyone, theres someone with an inside track for this appointment. Just get the name out there, unless you appoint the first dude no one cares.

new Barbies_R_US | July 16, 2007 - 4:37pm

[reply »](#)

Sarah - give me a chance !!

Geez, why wasn't I considered for Vic's job? I own a cabin in the Su Valley, I don't know Sarah or any elected official, I know no lobbyists, I voted for Sarah, I gave my last suit to the Salvation Army and I own Carhart overalls and a Polaris snowmobile. I'd be perfect for the job, and I would gladly do it!!! Sarah ... give me a call !! Please !!

new krelley | July 16, 2007 - 10:55am

[reply »](#)

FBI - Stevens-1090

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

Ads by Google

Alaska MLS Listing \$299

Why Pay 6% ?

Direct Access to

Alaska MLS.

www.congressreally.com

Alaska Nurse

Top Pay, Many

Choices in Alaska

Apply Today with

Onward

Healthcare!

www.onwardhealthcare.ca

Alaska DP (Local 600)

Steven L.

Rychetnik,

SprocketHeads

Alaska's Film & HD

Production HQ

www.sprocketheads.com

India BnB & Yoga Retreat

Affordable

Anchorage

Lodging. Fresh

Indian & American

breakfast

www.indiainalaska.com

194-AN-13620-M;494

Yer our boy...

Now for the legislation we need . Are you up for that?

new edgefinder | July 16, 2007 - 10:19pm

reply »

Don Young update???

According to his most recent FEC Report -he has spent over \$260K on lawyers last quarter.

Young is supposedly allowed to use campaign funds to pay his legal bills, which I find odd.

Kyle -any truth to this? I'm assuming he wouldn't be spending that kind of money on lawyers unless it involved some sort of investigation of a serious nature, i.e. multiple grand juries and potentially multiple indictments.

new Stags_Leap | July 16, 2007 - 8:50am

reply »

Small spenders - 7/16/2007

8:32 pm

Mental illness and guns

(UPDATED) - 7/16/2007 4:43 pm

Candidate Harris - 7/16/2007

10:39 am

Lots of lawyering - 7/16/2007

10:01 am

Replacing Kohring - 7/14/2007

2:28 pm

Should dogs be banned from ballfields? - 7/13/2007 12:22 pm

pm

No free wi-fi? - 7/13/2007 12:17 pm

pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are essential' - 7/12/2007 4:38 pm

full archive »

It's totally legal

Representatives can use campaign funds to cover legal expensed incurred during the course of doing their job.

new twentythreeskidoo | July 17, 2007 - 11:32am

reply »

Legal under federal law

Not under state law. So Tom Anderson could not use campaign funds.

new theodosius30 | July 17, 2007 - 2:12pm

reply »

What a shame

The CBC must be slipping, they missed a good opportunity to fund their legal bills- which by the way look like they are going to be in the millions.

Looks like DY and Uncle Ted planned quite a bit better. That is why they are major leaguers and not minor leaguers.

new BravoSierra | July 17, 2007 - 3:59pm

reply »

Why??

In this day and age are we still allowing politicians to be appointed??? We should be able to vote on this.

new Valley_Dude | July 15, 2007 - 2:25pm

reply »

This is a "No Brainer" -- Colleen by a country mile...

...It isn't even going to be close...

new haroldb_99501 | July 15, 2007 - 2:22pm

reply »

FBI - Stevens-1091

District 14

Can be as easily misled and lied to by hand picked nominees as it has been by elected officials.

new disenchant01 | July 15, 2007 - 10:02am

reply »

District 14

Yep. And considering how closely allied District 14 "movers and shakers" are to Randy Ruedrich, no one should feel good about this process.

new iHEARTmea | July 15, 2007 - 10:22am

reply »

exactly

Maybe hanger 18 has been moved to district 14.

new tt13 | July 15, 2007 - 10:10am

reply »

So...

that's where they work out those tedious little details of lucrative construction contracts, public process and "transparency" AFTER the work is done. Is that like an after-hours club?

new disenchant01 | July 16, 2007 - 8:51am

reply »

probably

But it's also a super secret insider place in the desert where "They" do super secret insider stuff that only "They" are privy to.

new tt13 | July 16, 2007 - 4:12pm

reply »

the choice

the queen will only select someone who will toe her line. Independent my bottom.

new Stags_Leap | July 15, 2007 - 6:29am

reply »

Big surprise

I notice you've traded in your claim that Menard would be the anointed one for a more general claim that allows you to criticize whomever the final choice is. The election was eight months ago, Stags. Your man lost. Get over it. You're nothing if not predictable.

new iHEARTmea | July 15, 2007 - 8:13am

reply »

I supported Croft

in the primary -and TK in the general.

I was thinking, the prom queen's campaign slogan should have been: if I only had a brain.

I just hope her and her LNG route groupies don't ruin the gasoline contract process, so the new Gov coming in 2010 can salvage something.

now Stags_Leap | July 15, 2007 - 9:17am

reply »

FBI - Stevens-1092

2010?

You mean 2014, don't you? Inaction is a sure bet to re-election in this State...

new uapuck16 | July 15, 2007 - 11:16am

reply »

special election

Screw this appointment crap. We're still not fully sure who to trust. There's too much corruption all across the board to let politicians pick politicians right now, (ever).

new tt13 | July 15, 2007 - 5:59am

reply »

Not to be rude...

But the voters endorsed ALL of the politicians under indictment. In fact, District 14 re-elected Kohring after the FBI investigation was publicly underway.

new amoeba | July 15, 2007 - 12:44pm

reply »

yes

But even tho it (the investigations etc,) was already underway the knowledge or passion of/to these incidents was still not as widespread as it is even today. I would suspect that anyone who tried to enter a special or emergency election now would be scrutinized by the public so intensely that their underwear would fall apart from all the puckering when the hard questions were poised for presentation.

new tt13 | July 15, 2007 - 3:23pm

reply »

I hope you are right...

tt13, I would like to have your faith in Alaskan voters. I guess I have been dumbfounded by voters' continuing to support obviously corrupt politicians too many times in the past couple of years to give them the credit you would. Let's hope they do some housecleaning next time around.

new amoeba | July 15, 2007 - 7:24pm

reply »

It has do do with party choices.

Comes election day (not primary) the voter looks at the offerings of the two major parties.

One has a faint stink of corruption.

The other promises policies that will eliminate your job and boost your taxes.

Those are your choices.

Pick one.

Or throw away your vote by staying home or voting for a third, fourth, or fifth "party" candidate with not a snowball's chance in hell of being elected. Thereby making it easier for candidate you fear MOST to get elected.

Pick one.

I swear we need a new party:

"NOTA".

None of The Above.

But it ain't gonna happen.

new rfn | July 16, 2007 - 9:26am

reply »

FBI - Stevens-1093

Just write in...

...NOTA

I do it for one or more races every election.

Just one of ten campaign and election reforms we need now.

new Emperor | July 16, 2007 - 10:15am

reply »

No- go with the majority.

UNDECIDED

new edgefinder | July 16, 2007 - 10:25pm

reply »

Experience

Do any of these candidates have any private sector experience?

They all appear to only have government experience in their recent jobs and that is a concern. We need people in leadership positions who do not think, and act, like government bureaucrats.

new Stumpy1 | July 15, 2007 - 12:40am

reply »

Stumps

So now it is private sector experience which guides you.

Care to tell us about the private sector experience of your hero?

new TheSdog | July 15, 2007 - 12:15pm

reply »

Now Dog,

You're being a little hard on the Palin, here. She did do a few months of weekend sportscasting on TV. You cant say THATS not private sector experience.

new tomtom | July 15, 2007 - 5:40pm

reply »

Ah yes

The media...one of thos places all these govt people pop in and out of on a regular basis.

I was actually being hard on stumps who shifts his standards depending on the case. I hearby dub him "shifty1."

new TheSdog | July 15, 2007 - 5:57pm

reply »

Three Great Choices

Kudos to the District 14 Republicans for putting together a great process for parsing the applicants and forwarding three great candidates for appointment to the State House.

Any of the three candidates will be an asset to the legislature and represent the Valley well.

new lack | July 14, 2007 - 11:55pm

reply »

tell the whole story

wasn't Hargreaves a lobbyist for The Ak Assoc of School Administrators? What else is missing on the bios?

new charlieh | July 14, 2007 - 3:53pm

reply »

FBI - Stevens-1094

Go Wes!

Wes Keller would be a good choice.

new freezinfranz | July 14, 2007 - 5:39pm

reply »

is wes an extremist.....

on social issues. Lets please not have any more of those.

new truthseeker | July 15, 2007 - 6:17pm

reply »

He works for Dyson?

Oh yeah... then he's an extremist on social issues. Palin will love him.

new AK_Lady | July 16, 2007 - 9:35am

reply »

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company *Inc.*
Contact Us | Newsroom Contacts | Communication Forms | Subscriptions | Advertising | Terms of Use
Daily News Jobs | RSS Feeds | ADN Store | Newspapers in Education | Privacy Agreement

A member of the
Real Cities Network

FBI - Stevens-1095

Place a garage sale ad in the Anchorage Daily News and get a FREE garage sale kit!

Anchorage Daily News: Alaska's Newspaper

[Search Archives »](#)
[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [blogs](#) [classified](#) [alaska.com](#) [help](#)

[news](#)
[entertainment](#)
[life](#)
[money](#)
[obituaries](#)
[opinion](#)
[outdoors](#)
[sports](#)
[blogs](#)
[weather](#)
[shopping](#)
[jobs](#)
[cars](#)
[homes](#)
[rentals](#)
[deals](#)
[ads from print](#)
[alaska.com](#)
[rss feeds](#)
[adn store](#)
[adnmail](#)
[crossword puzzle](#)
[blogs](#)
[help](#)

Lots of lawyering

Posted: July 16, 2007 - 10:01 am

Politico.com, among others, have tallied the size of Rep. Don Young's legal bills last quarter -- more than \$260,000? -- based on a recent FEC filing.

Speaking of FEC reports, Sen. Ted Stevens' campaign announced on Friday that they raised about \$400,000 in the second quarter of this year, and had about \$860,000 cash on hand as of June 30.

[add new comment](#)

Washington Post

also has a piece on DY in today's paper, 7/17/07, Page A17.

new Stags_Leap | July 17, 2007 - 0:54am

[reply »](#)

I am computer illiterate

Can you provide the link.

Thank you.

new thecdosius30 | July 17, 2007 - 9:03am

[reply »](#)

Washington Post Article

Here is the link It requires registration (free) so I'm posting the relevant excerpt below.

"...The largest payout for current members came from Rep. Don Young (R-Alaska), whose campaign shelled out more than \$262,000 to a pair of top Washington firms: Akin Gump Strauss Hauer & Feld, which took more than \$242,000, and Tobin, O'Connor, Ewing & Richard.

Unlike some of the others on the list, Young has not been the target of a subpoena. But Mark Zachares, a former staffer on the House Transportation and Infrastructure Committee while Young chaired it, pleaded guilty this spring to trying to help Abramoff's clients in exchange for the promise of a future job at his firm.

In addition, Young's current district director in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers. Young and Sen. Ted Stevens (R-Alaska), who has hired his own team of

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



[The Trail, 2006 campaign blog](#)

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

Ads by Google

Alaska MLS Listing \$299

Why Pay 6% ?

Direct Access to

Alaska MLS.

www.congressreally.com

India BnB & Yoga Retreat

Affordable

Anchorage

Lodging. Fresh

Indian & American

breakfast

www.indiainalaska.com

Fishing Near Anchorage AK

World-class Alaska

remote fishing

resort. Fly in from

Anchorage.

www.chelatna.com

Alaska Hard Money Loans

Commercial

Mortgage Loans

Compared Hard

Money Lenders

Reviewed - AK

www.BusinessInfotoday.com

FBI - Stevens-1096

194A-AN-13620-m; 495

lawyers to deal with that probe, were the top recipients of donations from the executive and that company.

After spending \$25,000 on Akin Gump in the first quarter, Young's campaign told reporters the funds were spent out of "caution." Yesterday, his congressional office deferred comment to Young's campaign staff, which declined to answer questions about his legal aid."

new Emperor | July 17, 2007 - 12:03pm

reply »

Thank

you. Very interesting. I am beginning to think that it is not if but when Young is indicted. That is a phenomenal amount of money to be spent on a little bit of advice. And I am appalled that Federal law allows campaign funds to be spent defending against criminal charges.

new theodosius30 | July 17, 2007 - 2:10pm

reply »

Small spenders - 7/16/2007
8:32 pm

Mental illness and guns
(UPDATED) - 7/16/2007 4:43
pm

Candidate Harris - 7/16/2007
10:39 am

Lots of lawyering - 7/16/2007
10:01 am

Replacing Kohring - 7/14/2007
2:28 pm

Should dogs be banned from
ballfields? - 7/13/2007 12:22
pm

No free wi-fi? - 7/13/2007 12:17
pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are
essential' - 7/12/2007 4:38 pm

full archive »

AlaskaReport.com has the full story on Don Young

Alaska Republican Congressman Don Young spent \$262,138 on lawyers last quarter anticipating multiple indictments from the FBI regarding his roles in at least three different criminal cases under investigation.

Young's involvement in a \$10 million earmark into a Florida highway bill that benefitted a big donor one week after he raised more than \$41,000 in campaign contributions for Young is one target. A grand jury is working that case right now.

Young's significant ties to imprisoned former lobbyist Jack Abramoff have drawn investigator's interest and Abramoff has reportedly given information to the FBI regarding payments to Young in the Indian lobbying scandal. Republican Bob Ney and two aides to Tom DeLay (R-TX) were indicted in that scandal. Young falsely claimed in February of 2006 "I have never had any personal or professional relationship with Abramoff." Documents have proved that he or his staff met or had discussions with Abramoff or his agents at least 11 times before February of 2006. A separate grand jury is working that case.

A third grand jury has been investigating Young taking over \$20,000 in campaign contributions from indicted Wisconsin executive Dennis Troha, his family members, and company executives just after Young inserted an item in the 2005 federal highways bill that helped JHT holdings owned by Troha. An amendment sponsored by Young allowed 97-foot multi-truck combinations on the highways; it was included in a highway spending bill that became law in August 2005, at the time Young chaired the House Transportation Committee. Campaign records show that Young received \$25,000 from the Troha family and associates, with most of those dollars coming on May 23, 2005, the Journal Sentinel reported.

"Don Young owes Alaskans an explanation," Alaska Democratic Party leader Jake Metcalfe said. "Why did he push a law that compromises highway safety? Why did he take campaign contributions from the trucking interests who benefited from that change?"

FBI - Stevens-1097

Young lost his influential post as chairman of the House Transportation Committee when Democrats took control of Congress in January.

Congressman Young's office did not return repeated e-mails from AlaskaReport.com seeking comment.

new TruthforAlaska | July 16, 2007 - 6:33pm

reply »

Ditto - and see hyperlinks

Dear TruthforAlaska - nice of you to provide the reference to AlaskaReport, as it's where I am an occasional columnist. Readers might not know we've

been predicting for years that Young would fall from grace. On Sept. 23, 2006 I posted a Groundswell article re Ted and Don's corruption and violations of Honest Services by fraudulent means - see link at < [http://www.alaskareport.com/stephen-taufen30012\[dot\]htm](http://www.alaskareport.com/stephen-taufen30012[dot]htm) >.

How many Alaskans know Young dropped into a bill for the Aleut Corporation a return of \$2 million on a \$3 million tax assessment and fine (which was probably a fraction of what was really due!)? They wanted Don to do it in 2002, via Frank Murkowski's senate bill on Adak Land Transfer, but Don thought it would get attention. So he slipped it in - earmarked it - later. That demonstrates his REPUBLICAN disregard for tax evasion and worse. Frank is as crooked as they come too, as he made sure records submitted to the Senate Energy Committee/ Public Lands subcommittee by Adak City councilmembers and my partner (electrical privatizer) were redacted and never made it into the hearing on Land Transfer where the Navy and Interior would have seen them. Murkowski's office called the Mayor on the phone, ordering me off the island, too - we submitted the voice tape from Mayor to my partner in a federal deposition in Dec. 2005.

When Murkowski needed the records of the Adak city councilmen removed, he used Tom Albert of Birch Horten Bittner and Cherot - yes, Bittner of Ted's brother-in-law fame. Some of these folks also interceded in some fashion with the Economic Development Administration to keep FOIA request from being filled, to me, that would have provided evidence on \$3.4 million wasted from Ted's EDA grants (over \$10m) in 2002 timeframe... wasted on a powerhouse renovation that Aleut Corp. lied to everyone about. Their newsletter said the plant was operational - blatant lies. They were price gouging federal funds for fuel costs to run the utility, too. Tony Knowles, Frank and Ted and the Regulatory Commission (RCA) all failed to intercede. The story is too long to continue here, and Alaska is joined by Florida as a Don Young haven -- and other states too.

In that article link above, I also republish quotes from news in Florida which pretty much outlines that some of their Congressmen have been lying to the press, lately too. They had praised Don for getting an additional \$81 million for the Florida I-75 project etc. So, it is not just about the \$10 million Coconut Road item.

Don has a great disrespect for private citizens having rights. Years ago, when two oil industry whistleblowers got \$380,000+ each for providing evidence of tax evasion on oil royalties, Don wanted to help out the likes of BP, Exxon or whomever in Alaskan oil, so Young tried to find those two Wb's in Contempt of the House because they refused to share other information with Congress. They had an upcoming lawsuit, and Young obviously wanted to force disclosure - which would have allowed the oil companies access.

Don Young belongs in a special jail cell with a Yukon sized bathtub he can run a rubber river boat in... The nation's highways fall apart because he's got better personal power ideas of what we all paid federal gasoline taxes for.

Easy Prediction - look for Duane Gibson of Yummy Chummies fame to be the next Abramoff indicted Don Young former aide.

-- And oh, poor Lisa ... how does she afford housing in Anchorage, DC, and on the Kenai?

But hey, as far as states go, Alaska is still a baby -- and thus no surprise that it still needs a lot of political diapers changed. And BTW, darned tootin right we can blame each and every one of them for what they did - there is no system but that which people of integrity or which dishonest people will create and rule. We prefer the former. The latter are not victims, so pls bloggers, quit mitigating this by such excuses. Our forefathers said it was a republic they created if we can keep it. It has turned into a plutocracy, kleptocracy and corporatocracy because Ted, Don, Frank, maybe even Lisa, and certainly others were making darned sure of it. It's time for some BabyWipes!!

[->

PS: DRAFT RAY METCALFE FOR U.S. SENATOR!!!

new stauen | July 17, 2007 - 5:10pm

reply »

The System

You can't blame our gang for thier actions. They are only doing what

FBI - Stevens-1098

politicians do. They, are products of their environment. It is we, the voters, who are to blame.

We keep sending the same people back to Washington, with no limits on terms, meanwhile we cheer the millions of dollars in earmarks they bring home.

Are we daft to not think that this situation creates a climate of favoritism and cronyism. Do we think the money for "bridges to nowhere" come with out a price.

Lobbyist are Americas answer to legal bribery. What do we do? We ask the people who are receiving money from lobbyist to write the rules.

America needs term limits on all Washington positions and independent council on lobbyist.

Until we, the public, demand a cleaner government, all can expect the status quo to prevail and corruption in our Government to continue as it does.

Don't blame the system, blame yourself.

new lamblij | July 17, 2007 - 7:52am

reply »

Lisa Murkowski???

now being looked at by the Justice Department? Will this madness ever end? I have long suspected that Frank, Don, and Ted would all be taken down by this scandal -but not baby Lisa. Say it ain't so.

new Stags_Leap | July 16, 2007 - 1:59pm

reply »

Talk about innuendo

This story is in very sketchy early stages.

The ADN has no business pulling the Begich/Bobrick/Knowles story if they are putting this up.

new TheSdog | July 16, 2007 - 2:24pm

reply »

the point is

baby Lisa refuses to disclose the purchase price or comments about it. Begich and Knowles both made public statements about the Bobrick story.

If Lisa has nothing to hide, then why not disclose the purchase price?

new Stags_Leap | July 17, 2007 - 6:56am

reply »

Stags

Purchase prices?

You did not seem to care about the purchase price of the 4th Ave theater?

I still say this story is innuendo at best at this point. There is clear editorial bias at the ADN.

new TheSdog | July 17, 2007 - 7:29am

reply »

FBI - Stevens-1099

why ?

the newsreader is just an aggregate of stories that are relevant to Alaska produced by other media outlets.

the beat is getting louder and steadier.

new twentythreeskidoo | July 16, 2007 - 11:12pm

reply »

Hmmmm

ADN ran a story today.

new TheSdog | July 17, 2007 - 7:29am

reply »

Sketchy?

Hardly.

<http://tinyurl.com/ynt7m8>

There's the FEC link we all need to look at. Young is in a heap of trouble.

Anyone else find it interesting that all of these lowlifes being investigated are Repugs?

new goshox | July 16, 2007 - 3:43pm

reply »

Follow the thought process please...

The subject stags brought up was Lisa's Kenai property not DY.

new TheSdog | July 16, 2007 - 3:49pm

reply »

Sdog:

Does it really surprise you?

I would love to see what would be dug up if Knowles and Begich were put under the media microscope.

new AK_Logic | July 16, 2007 - 3:18pm

reply »

put a Fork the media...

They are done with microscopes other than what the FBI tells them.

The investigation is in good hands with ALLSTATES.

The previous admin has their own skeletons. It comes out in the wash I bet.

They have managed to sweep so much under the rug by revolving door corruption it's incredible.

Bring it up while they [FEDS] are in town. You can't count doing it by voting, it seems. The crisis requires transfers.

new edgfinder | July 16, 2007 - 8:39pm

reply »

you really don't want to know

but if you do, the APOC records and the Anchorage Municipal Library are a good place to start.

You can find old issues of the ADN, the Daily News Miner and the Juneau Empire on the Library website.

There's also a multitude of websites such as the FEC, Opensecrets, FBI - Stevens-1100 and Political Moneyline that are a good way to follow the money.

But it ain't news unless the ADN prints it.

new twentythreeskidoo | July 16, 2007 - 3:32pm

reply »

In America

whatever is going on you can bet a lawyer is making money off of it.

new TheSdog | July 16, 2007 - 11:52am

reply »

The Beat Goes On...

Allegations Pay
 Ethics Probes Keep Lawyers Flush
 By Paul Kane
 washingtonpost.com Staff Writer
 Tuesday, July 17, 2007; Page A17

In addition, Young's current district director in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers.

Justice Department probes of congressional corruption continued to provide big business for Washington's white-collar criminal defense attorneys, who billed at least \$1 million in the second quarter to current and former House members involved in federal investigations.

new twentythreeskidoo | July 16, 2007 - 10:25pm

reply »

Don Young's illegal campaign contributions

Why hasn't ADN reported on Don Young reporting to the Federal Elections Commission that for many years he has been taking illegal in-kind contributions from the seafood industry? He says he will repay some of the contributions, but will keep the contributions that he accepted during years for which the statute of limitations has run. Perhaps the ADN doesn't know about this letter, so here it is (and now perhaps it will be reported?):

From an official FEC filing.

June 28, 2007
 Federal Election Commission
 Reports Analysis Division
 RE: Prior Year In-Kind Contributions Pacific Seafood Processors Association

On March 9, 2007 our Campaign Manager, Steven Dougherty, received an email from Dennis Phelan of the Pacific Seafood Processors Association (PSPA) saying that he had researched the PSPA records and determined that the PSPA had made In-Kind contributions of seafood to Alaskans for Don Young's annual "Crabfeed" which is held in Washington, DC each year. He listed the following In Kind contributions by year:

2000: \$715.00
 2001: \$795.42
 2002: \$794.00
 2003: \$871.55
 2004: \$933.06
 2005: \$763.00
 2006: \$711.03

I did not have prior knowledge of these contributions until I was given a copy of the email from Dennis Phelan. Because we are prohibited from accepting contributions from an industry trade association that is not a PAC we propose to rectify the situation by refunding the contributions for 2004, 2005 and 2006 to the PSPA.

We will not refund the earlier In-Kind contributions for 2000, 2001, 2002 and 2003 because they were made before the three year statute of limitations.

Sincerely
 Robert J Bohnert Treasurer,
 Alaskans for Don Young C-00012229

new alamernakis | July 16, 2007 - 11:13am

reply »

FBI - Stevens-1101

Crab scraps?

Sure. Only \$700-\$800 per year... what!, were they crab scraps off the processing floor? Word is that it was about \$2,800 for 2007.

This smacks of a red herring letter instead of truth on crab. So, before the Federal Elections Commission takes this letter at more than face value from the Foreign-cartel's Seafood Processing Association, it should demand access to all invoices, shipping documents, and do comparable uncontrolled pricing of the value of these products on the real market.

These companies are experts at lying to the IRS, about Transfer Pricing (involving hundreds of millions of dollars per year) so why wouldn't they lie to the FEC?

new staufen | July 16, 2007 - 2:17pm

reply »

Staufen is crabby, that's for sure

Hi Steve nice to know you are still throwing out allegations that have been disproven over and over ... like the Bristol Bay lawsuit, remeber that one? Ah well facts never bothered you before.

new kodiakkrab | July 17, 2007 - 8:51am

reply »

OK Kodiakkrab, I'll get crabby for a minute!

Not only are you a COWARD for not identifying yourself to the public, but for not calling me up first - you know where I live in Kodiak - and being man enough to confront me personally with your lies and innuendos. We know your type, those who run around behind backs slandering and libeling, attacking the messenger, never contributing to the message. What is your proof we have been incorrect - other than a bad jury not doing its job?

The proof of international crime is in the records of that Alakayak (Bristol Bay) salmon antitrust casefiles and it was surely coming out at that trial. Were you also aware one alternate juror was let go because she was signaling the defendants's lawyers about the vote count of the jury by holding up pencils? Turns out her family and Ben's family had apparently been on the phone several times in the few prior weeks. Do you think Ben might pay a price yet for that?

BUT NEVER FORGET, I/GROUNDSWELL WAS PROVEN 100% CORRECT IN THAT CASE: Marubeni laid \$25 million on the table in that case within hours of the facts of Abusive Transfer Pricing entering the courtroom. A former Marubeni executive personally confirmed that it was due to them being scared of ATP once the Japanese had to provide the retail-price data. They thought the case was lost, as it should have been. So do you believe your own self delusions or Marubeni's own executives and the other companies who paid to get out of the case, many because they knew it should have convicted them? Have you ever seen any Japanese corporate representative in the media actually disputing our ATP facts, even just saying "Oh, but here's where you are wrong, Mr. Taufen"??? Not even you can do it, so you just resort to quick razor cuts - hoping the public will believe in your little game.

Do you feel better now? You shouldn't = because cowardice cannot be brushed away that easily.

You know very well that the jury did not deliberate on the case for more than a few moments, and ran away for a long weekend. In other cases involving Mitsui, juries deliberated extensively and convicted, yet this case had ample evidence to do more than that. Sure, the plaintiff boutique lawyer came across bad to the jury - but their obligation was to look at the facts. And Wards Cove pulled the grand illusion while the jury ignored their lead role in the Okaya Plan. You know, the smoking gun that the jury said it didn't see. If you really belong to the seafood industry and don't know these truths, and that the processors did fix the prices, then you are an imbecile too.

But we aren't crying about the case outcome, even though we protest a bad jury, because in the larger scheme of things, fishermen won that case because the truth did come out. A temporary bad verdict aside, it has helped convince federal authorities that there is no justice in Alaska unless the FBI intercedes. Maybe you just don't understand that winning battles are not equivalent to winning wars. And did you forget that the Justice Antitrust Dept. was ready in early 1990's to prosecute RICO and put seafood executives in federal prison, but Mitsui and Maruha convinced the US Government that "one species does not an industry make"? That's why pollock, then crab, then other species became the privatization schema. Salmon will be stolen too - but we plan to stop that, if Palin gets a good look at it.

And the evidence still sitting in that Anchorage courthouse files

FBI - Stevens-1102

could well be used as evidence currently... especially regarding coercive monopolies like that of Crab Ratz and the Rockfish Pilot Program. Remember also that Ben Stevens and Clem Tillion interceded in the media on behalf of processors --- a dumb move in hindsight, don't you think? PATTERNS!

The broken price-mechanism allegations have also been proven over and over again at the IRS international division, on tax recoveries. In fact, the IRS recently restated another seafood company's pollock books on an ATP issue. Their tens of millions of dollars of recovered funds, and disallowing hundreds of millions of dollars of more tax evasions also serves testament to us being correct, not you. Right?

And what about the allegations we dished out for the past decade or longer that Ted Stevens and Don Young and Ben Stevens would all come under federal indictment? Want to place your bets on that now? Probably not, because you are obviously one of the UFA and Bobby T's servants or a member of the processor crowd quislings. It is your guilt making you angry.

But just because you are pissed off that the Feds are taking down your Uncles Ted and Don and beloved Benito, is no reason for you to be such a coward. Reveal thyself or forever be known, hen. Or would that risk you going to jail, too?

Crabby enough for you now?
Stephen Taufen

PS: God Bless You. Pray for forgiveness.

new staufen | July 17, 2007 - 6:14pm

reply »

Thank you for the blessing

Geez Stephen,

On the one hand you say "we are not crying about the case outcome" and on the other hand this entire post is doing just that ... you are even attacking the US court and jury system and your own fellow Alaskans ("a bad jury not doing its job").

Be consistent. Get over it. You lost.

new kodlakkrab | July 18, 2007 - 8:43am

reply »

How much crab?

staufen, how much crab -- at fair market value -- is \$700-800 worth? also, do you know why the ADN is not reporting on this?

For background, here's an excerpt from a story by Lisa Demer that ran in October of last year:

Don Young, in his 34th year as Alaska's lone U.S. representative, has amassed one of the richest campaign accounts in Congress ... Young, famous for his ANNUAL PIG ROAST fundraiser at a Veco executive's home and his CRAB FEED in Washington, D.C., has no trouble stacking up checks from Alaska to Arkansas.

I wonder who donated the PORK for the pig roast?

new alambarnakis | July 16, 2007 - 2:26pm

reply »

FBI - Stevens-1103

Depends...

on type of crab, and we'd have to see the documents and shipping costs... But hey, even 30 years ago, brat Ted was ticked off if the crab or salmon box was sent to Mike Gravel's office, so Ted's staff would have to split it down there, get it from Gravel's team.

The real question now might be how much crab did Ted report as in-kind contributions recently and was that legal? OR is this one reason the Senate Ethics group just gave him another extension today for a late filing?

Hey, if we're talking real luau here, we love 'the other white

meat'. But doesn't the big PIG ROAST come in the courtroom soon? Or is that a prison term for an exercise room party?

Take care, alambornakis.

PS: just heard Ted did file today after all... anyone care to provide the link to the Senate record?

new staufen | July 17, 2007 - 6:25pm

reply »

Certainly a lot less...

Some years ago when I was young and hot on politics I set out to run for a municipal office. After looking at the disclosure rules and reporting regulations I figured I needed a lawyer to tell me what I actually had to do and what activities and assets needed to be disclosed.

When the tab on the meter hit \$2,000 for an office that paid a couple of hundred I decided against making the run.

It seemed that one either has to be on a power trip or hell-bent on profiting in some other way to even bother picking up the paperwork to run for anything anymore.

new rfn | July 16, 2007 - 9:47am

reply »

It's a shame rfn that you chose not to run...

And sorry that you felt you needed an attorney to lead / guide you through the reporting requirements.

What's so scary about listing all of the sources of your income?

And what's so scary about reporting what you spent your campaign money on?

If you can't pass the muster of that level of public scrutiny, then you're right, you don't belong in a campaign for public office.

I've run a campaign (or two) for candidates, and (while I'm not a lawyer), never had a problem with the reporting requirements.

Why did you? Yes, it's complicated, but what's there to hide?

All you have to do is be honest and forthright. Then, the APOC forms are easy. It's only when you have something that you'd rather not report, that you get into trouble.

I'm sorry that you were intimidated by the requirements of the APOC forms - because I wish you would have had the strength of character to enter an application anyway. Based on your opinions here, I wish you would have run.

new KalRock_AK | July 16, 2007 - 2:44pm

reply »

When one lives in a small town

it's not "scary" to reveal the intimate details of what your savings/investments might be. It's just setting yourself up for a lot of aggravation you don't need.

I'm not a lawyer; never wanted to be.

The APOC forms, to me, were subject to interpretation and I did not trust (non-lawyer that I am) I had it exactly right. Too much potential for doing something that seemed right but turned out to not be *exactly* right. Then have it used against you. FBI - Stevens-1104

Any would-be candidate who is NOT a lawyer and starts signing stuff that is subject to misunderstanding, whether innocent or malignant, is a damn fool and deserves whatever happens down the line.

Now, I'm still trying to sell that bridge in California. If you'd like to see the buy-sell agreement without taking it to a lawyer.....

Also, in a small town where you may engage in buying and selling property, you don't want everybody to know your every asset. It has a way of running up prices.

I've talked with a few others who should have been obvious candidates at the local level. Same story. Too much exposure of personal matters that have no importance to any local ethical situation.

The reporting of how campaign funds were obtained/spent seemed easy enough to understand but, since I never gathered any funds and spent nothing (other than the lawyering), I had nothing to report. Especially since I decided to take a hike. But I even asked the lawyer if I had to file a report because I had "taken out" papers but chose not to submit 'em.

Of course that's just opinion but I know for a fact it has driven off more than a few people of high ethical standards who just don't want to deal with the politics of personal destruction.

Yes, I had run for public office in a place far, far away and won. I was younger and had neither savings nor investments. Also, had not been yet burned by failing to get a lawyer to read every legal document I was thinking to sign.

Oh, and that lawyer you might be thinking to use? Have him strip to be sure he's not wearing a wire!

Even paranoids sometimes have enemies. Especially in politics.

new rfn | July 16, 2007 - 3:11pm

reply »

Ohhhh for pity's sake rfn...

that's quite the coward's answer.

There are currently 59 people in the Alaska state legislature who were brave enough to fill out those forms...

and the negative repercussions? Dang...only to those who got caught lying or selling.

Sooooo...into which category do you think you might fall?

new KatRock_AK | July 17, 2007 - 4:44pm

reply »

When you reveal the office you

currently hold...or those which you actually held I'll consider answering your pejorative question.

But only after I've examined all of the disclosure forms so I'll know what your total assets are, what stocks you own, and maybe enough more to give those folks in Nigeria enough information that they won't have to go "phishing" to run up your credit card bills. Your children's, too.

Oh? You don't hold and have never held any elective office? What are you trying to hide that's keeping YOU from abandoning your privacy?

Or is there just nothing of value to report? Gee, if that's so, why not run for the legislature next go-round?

new rfn | July 17, 2007 - 5:55pm

reply »

Why should...

...candidates for public office sacrifice their right to privacy?

We have a legalized system of bribery called campaign donations through political action committees and political parties. Yet, you're concerned over what property they own and who their clients are?

If you are serious about rooting out corruption then eliminate the influence of money from special interest groups and political parties. The only thing those disclosure requirements do is keep out people that don't want to bare their private affairs to the world. Those disclosures requirements sure have done a great job of keeping politicians honest didn't they?

FBI - Stevens-1105

Let's get serious about reforms

new Emperor | July 17, 2007 - 5:12pm

reply »

RFN:

Did I ever tell you I am the starting Quarterback for the Dallas Cowboys?

I have started every Monday morning game for the past 30 years.

new AK_Logic | July 16, 2007 - 3:24pm

reply »

I think that means

you're not only interested in that bridge, you have the means to pay for it!

Please post a mailing address so I can mail you the brochure.

new rfn | July 16, 2007 - 4:31pm

reply »

good one

I was starting to think you were a starting pitcher for the Seattle Mariners. Thank god I was wrong.

new Stags_Leap | July 16, 2007 - 3:48pm

reply »

Stags:

Now that is mean :)

new AK_Logic | July 16, 2007 - 4:12pm

reply »

interesting

two separate high-power law firms in D.C., with payments made to each in nearly identical timeframes.

It could lead one to speculate that DY is under investigation by two separate grand juries on separate issues. That's an awful lot of money prior to any indictments being handed out. Imagine what a full-blown trial would cost.

I also think it's a travesty of justice that a man can use his public campaign funds to pay for legal defense fees related to possible corruption charges. I would think DY's Office owes an explanation to the public on what the "legal services" for \$260K and change involve.

new Stags_Leap | July 16, 2007 - 9:34am

reply »

The Doms Buddy Down In California Is Having Legal Woes Too

By Erica Werner

ASSOCIATED PRESS

8:48 a.m. July 16, 2007

WASHINGTON — California GOP Rep. John Doolittle's fundraising has slowed and he lags his likely Democratic opponent in money as the congressman's legal woes mount in a congressional influence-peddling scandal.

The nine-term conservative from Rocklin reported raising \$100,183 from April 1 through June 30, according to his quarterly Federal Election Commission report, filed Sunday. The three-month period encompassed an FBI raid on his home in early April in the Jack Abramoff lobbying scandal.

new twentythreeskidoo | July 16, 2007 - 1:13pm

reply »

is this a 'doo nugget'?

Perhaps a trademark thingy should start happening? doo nugget looks and sounds better than a nose nugget...

FBI - Stevens-1106

new akgen | July 16, 2007 - 1:37pm


reply »

nosenugget, doonugget

it's all the same.

new twentythreeskidoo | July 16, 2007 - 2:31pm

reply »

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company 
Contact Us | Newsroom Contacts | Communication Forms | Subscriptions | Advertising | Terms of Use
Daily News Jobs | RSS Feeds | ADN Store | Newspapers in Education | Privacy Agreement

A member of the
Real Cities Network

FBI - Stevens-1107



NEWS BY EMAIL

- Breaking News
- Fishing
- Obituaries
- Outdoors
- PM Briefing
- & More

SIGN UP HERE

Anchorage Daily News: Alaska's Newspaper

Search Archives »

[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [blogs](#) [classified](#) [alaska.com](#) [help](#)

[news](#)
[entertainment](#)
[life](#)
[money](#)
[obituaries](#)
[opinion](#)
[outdoors](#)
[sports](#)
[blogs](#)
[weather](#)
[shopping](#)
[jobs](#)
[cars](#)
[homes](#)
[rentals](#)
[deals](#)
[ads from print](#)
[alaska.com](#)
[rss feeds](#)
[adn store](#)
[adnmail](#)
[crossword puzzle](#)
[blogs](#)
[help](#)

Candidate Harris

Posted: July 16, 2007 - 10:39 am

In R.A. Dillon's column for the News-Miner this weekend, he quotes Rep. John Harris as a potential candidate for U.S. House or Senate.

Harris told Dillon he doesn't plan to challenge Stevens or Young, but would run if one of them got indicted.

add new comment

Harris should stay where he is at

John has too many issues/secrets that would come to light if he ran on the national stage. What you can get away with in Ak would be exposed in the national press. The underhanded action during the John Devens campaign in support of Don Young, the weird business that went on between Alyeska and Harris Sand and Gravel in 89-90. Why didn't Alyeska file theft charges on all that missing building materials purchased from Harris Sand and Gravel? Why did the Harris family buy him out of the business after that? Is that how and why the oil industry got a death grip on Harris? Harris Sand and Gravel got away with some bad work for DOT on highway project after John was elected. Many questions that were never answered.

new tim2 | July 20, 2007 - 10:27 am

reply »

Oh Great, Just What Alaska Needs....

...another guy who "doesn't get it" when it comes to duty and ethics, running for higher office.

John Harris has presided over the most corrupt house organization in Alaska's brief history. Remember Rep Berkowitz's now-famous call for the "...the House to remain the People's House..."?

Remember who he was talking to? John Harris. John Harris famously ignored Berkowitz and allowed the House to become Bill Allen's little dukedom.

John Harris should be spending his waking days begging for our forgiveness, not contemplating higher office.

A pox on him!!!

new metanoia2k | July 17, 2007 - 9:27 am

reply »

I seem to recall

that Ethan Berkowitz organized WITH Pete Kott,

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



The Trail 2006 campaign blog

ARCHIVE

"Dittman" poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

Ads by Google

Moving to Anchorage?

Browse current listings of homes in the Anchorage area.

www.greatalaska.net/hou

Alaska MLS Listing \$299

Why Pay 6% ?
Direct Access to Alaska MLS.
www.congressrealty.com

Alaska Hard Money Loans

Commercial
Mortgage Loans
Compared Hard Money Lenders
Reviewed - AK
www.BusinessInfoday.com

India BnB & Yoga Retreat

Affordable
Anchorage
Lodging. Fresh
Indian & American
breakfast
www.indiainalaska.com

FBI - Stevens-1108

194-AN-13620-M;496

Tom Anderson, and Lesil McGuire to overthrow Harris. Aren't ya glad that didn't work out? You are way off accusing Harris of being corrupt and calling Berkowitz a saint. Just so happens that Kott/Berkowitz and that little coup attempt were totally backed by who else: Bill Allen.

new acom | July 19, 2007 - 9:46pm

reply »

Right on the mark acom!!!!!!!!!!!!!!

I still remember the picture of ethan and kott with arms around each other's shoulders, smiling like the cat who just swallowed the canary. I will see if I can find it anywhere so people can look at it. Anyone got any ideas where that could be found?

new truthseeker | July 20, 2007 - 10:04am

reply »

Small spenders - 7/16/2007 8:32 pm

Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm

Candidate Harris - 7/16/2007 10:39 am

Lots of lawyering - 7/16/2007 10:01 am

Replacing Kohring - 7/14/2007 2:28 pm

Should dogs be banned from ballfields? - 7/13/2007 12:22 pm

No free wi-fi? - 7/13/2007 12:17 pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and fact are essential' - 7/12/2007 4:38 pm

full archive »

new simplestmon23 | July 16, 2007 - 5:48pm

reply »

Someone with spine

is what we need in the House or Senate.

If you didn't catch the Bill Moyers Journal this weekend - catch it on video at: <http://www.pbs.org/moyers/journal/07132007/profile.html>

new simplestmon23 | July 16, 2007 - 5:47pm

reply »

John Harris

certainly does not meet the description of someone with spine.

new theodosius30 | July 17, 2007 - 5:08am

reply »

Not everyone on this blog will tell you..

Complacency is bad.

Complacency is the best way to not be a 'target' with the union or CBC until, well the time the Federalis come and raid yer office.

'Do nothing policy' can become a crime or at least get your pension yanked,now.

Nothing about plea bargains, it's a choice of cooperate with the fed or not. Usually the fed is nicer on sentence if the perp cooperated.

Same violation, new penalties.

It would be interesting to see who voted against that revocation clause especially Harris.

new edgefinder | July 16, 2007 - 8:15pm

reply »

FBI - Stevens-1109

John Harris is a definite,

John Harris is a definite, front running suckup to the oil industry.

Always has been, and he always WILL be.

new leowassilie | July 16, 2007 - 10:09am

reply »

Not what we need

If state Republicans want to continue with business as usual with all of their good ol' boys, Harris is definitely the man. I would hope the rest of us regular folk know better than to consider him.

new iHEARTmea | July 16, 2007 - 9:59am

[reply »](#)

Humpty Dumbty

has a better chance of being a senator or congressman than John Harris.

new theodosius30 | July 16, 2007 - 11:00am

[reply »](#)

In Case of Indictments?

When I suggested that the Republicans need to look for federal replacements as hard as the democrats Harris was not in mind at all.

Now I know more about it.


Who knows if Harris won't or shouldn't be under indictment at this point. PPT HAD A LOT OF MONEY THROWN IN.

Like the other bloggers have suggested, campaign Donors need to know what they're getting before hand.

That's the key to corruption.

new edgefinder | July 16, 2007 - 5:46pm

[reply »](#)

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company 
Contact Us | Newsroom Contacts | Communication Forms | Subscriptions | Advertising | Terms of Use
Daily News Jobs | RSS Feeds | ADN Store | Newspapers in Education | Privacy Agreement

A member of the
Real Cities Network

FBI - Stevens-1110



It's also White Diamond

Anchorage Daily News: Alaska's Newspaper

 Search Archives »

[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [blogs](#) [classified](#) [alaska.com](#) [help](#)

[news](#)
[entertainment](#)
[life](#)
[money](#)
[obituaries](#)
[opinion](#)
[outdoors](#)
[sports](#)
[blogs](#)
[weather](#)
[shopping](#)
[jobs](#)
[cars](#)
[homes](#)
[rentals](#)
[deals](#)
[ads from print](#)
[alaska.com](#)
[rss feeds](#)
[adn store](#)
[adnmail](#)
[crossword puzzle](#)
[blogs](#)
[help](#)

(UPDATED) AP on Stevens

Posted: July 17, 2007 - 6:27 pm

UPDATE: [Click here](#) for the financial disclosure document Stevens filed (it's 18 pages).

After 2-month delay, Stevens releases report on personal finances

By JEANNETTE J. LEE
Associated Press Writer

ANCHORAGE, Alaska (AP) -- Sen. Ted Stevens filed the annual report on his personal finances with the Senate Ethics Committee on Tuesday after receiving a two-month extension to fix what he called a few simple technical errors.

The delay was not unusual for members of Congress, but with his son under investigation by the FBI for corruption, Stevens said he wanted to make sure his report, detailing income, assets and gifts from 2006, was unassailable.

"The delay happened, really, because I asked for it, because of the circumstances right now," Stevens said Tuesday. The 83-year-old senator said nothing in the mandatory disclosure report has anything to do with the investigation.

FBI raids on the offices of several Alaska lawmakers last year included his son, former Alaska Senate President Ben Stevens.

The FBI has asked the elder Stevens, who is the longest-serving Republican in Senate history, to retain his records. The agency is looking into the remodeling of the senator's Girdwood home in 2000 in connection with the investigation, which is ongoing.

Neither the senator nor his son have been charged.

Most members of Congress submitted their financial disclosure reports in mid-May. Stevens said the filing delay was due to questions by the Senate Ethics Committee over his wife's 401K, as well as a few small mistakes.

"I put an X on front page in the wrong box," Stevens said.

A copy of the report provided by Stevens' office to The Associated Press shows his assets are worth between \$1 million and to \$2.1 million, with about half in a blind trust. Individual assets include oil well interests in Oklahoma worth \$50,001 to \$100,000 and rental housing in Wickenburg, Ariz., in the same range. Local holdings include commercial property and a share in Sack's Restaurant, a downtown eatery. Each is worth between \$15,001 and \$50,000.

"People write all these stories about senators being rich.

FBI - Stevens-1111

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital

creep - 7/17/2007 9:14 pm
Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

Ads by Google

Alaska Unclaimed Money
Millions in unclaimed money
How much do they owe you?
www.CashUnclaimed.com

Alaska MLS Listing \$299
Why Pay 6% ?
Direct Access to Alaska MLS.
www.congressrealty.com

Alaska Fishing Guides
Alaska Kenai River King Salmon, Fly Halibut Fishing Guides & Lodging
www.myalaskafishingguid

Hidden Creek B&B
Girdwood, AK, 40 min. S Anchorage
New luxury B&B, all amenities
www.hiddencreekbb.com

194 - AN - 13620 - M, 497

This one isn't," Stevens said.

The senator's disclosure report also included a retroactive list of gifts he received from the Kenai River Sportfishing Association. The group works to protect salmon runs on the Kenai River and was founded by Stevens' friend and business partner Bob Penney.

Penney and Stevens were part of a group of 10 prominent Alaskans who owned a racehorse together under a company called Alaska's Great Eagle, which is also listed on the senator's disclosure form. Penney testified in June before a federal grand jury in Anchorage that has gathered information in the corruption cases.

Stevens hosts the fishing association's annual fundraiser and, according to the report, received guns priced from \$850 to \$1,800 over the course of five years starting in 2002. They included a \$1,400 Smith & Wesson and an \$1,800 Beretta 470 Silver Eagle.

The firearms were awarded in recognition of public service, exempting them from a Senate rule that prohibits most gifts worth more than \$49.99.

The senator commented briefly on the remodeling of his home in the sleepy ski resort town of Girdwood that doubled the size of the house, a four-bedroom structure that is Stevens' official residence in Alaska.

A contractor who did work on the house has said he was directed to send bills to the oil-field services company, VECO, headed by Stevens' friend Bill Allen, who has been indicted on political bribery charges. Someone at the company would examine them for accuracy before sending them to Stevens.

"I will tell you we paid every bill that was given to us with our own money," Stevens said, referring to himself and his wife. "She works and I work. That was our own money."

Stevens said he could not answer questions in detail because of the FBI investigation.

"If I do, I'm liable to be accused of obstruction of justice," he said.

Stevens said attorney Bill Canfield assisted in vetting his financial disclosures. Canfield was Stevens' chief of staff when the senator headed the Senate Ethics Committee.

add new comment

"People write all these

"People write all these stories about senators being rich. This one isn't," Stevens said.

Is that like what Ben said about his multi million option at ADAK?

"I'm not getting rich off it."

Ask any GG employee and 2.1m is rich.

And I bet a current appraisal in Wik is more \$ for the house. Things have boomed around there.

new edgefinder | July 18, 2007 - 5:34pm

reply »

Ask the crab fishermen

Ask any of the 1000 crab fishermen the Stevens father-son team put out of work if 2.1 million is rich.

new 1kelley | July 18, 2007 - 10:34pm

reply »

Nailed it through the hands

Right on man - just like trying to prove your innocence in the murder of a Martian. How many other aliens have you killed, Mr. Senator? Is this the reason you never visit Roswell? Innocent if he drowns, stone him if he floats.

new nerka86 | July 18, 2007 - 12:50pm

reply »

Small spenders - 7/16/2007
8:32 pm

Mental illness and guns
(UPDATED) - 7/16/2007 4:43
pm

Candidate Harris - 7/16/2007
10:39 am

Lots of lawyering - 7/16/2007
10:01 am

Replacing Kohring - 7/14/2007
2:28 pm

Should dogs be banned from
ballfields? - 7/13/2007 12:22
pm

No free wi-fi? - 7/13/2007 12:17
pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are
essential' - 7/12/2007 4:38 pm

[full archive »](#)

FBI - Stevens-1112

What about the bills that weren't sent to you?

Senator Stevens concerning the VECO-linked remodeling job: "I will tell you we paid every bill that was given to us". No one is questioning that fact. The question is how many bills were not sent to the Stevens? And who paid those bills?

new tkelley | July 18, 2007 - 6:51am

[reply »](#)

Nailed It

You've nailed it, tkelley. Since when were we concerned whether Stevens paid all the bills that were sent to him? The question is whether others paid for goods and services delivered to Stevens.

It's sort of like being accused of murder and saying "I haven't killed anyone with a pitchfork."

new chilcote | July 18, 2007 - 9:57am

[reply »](#)


Maybe you meant...

Unsaid quote: "I'm not rich if you count only my assets in the USA that the IRS can find! By jove, those London trips to handle my Jersey Isle accounts are so nice when I fly on a private corporate jet for free." - Ted.

The German 5th: "I know nuttthing!, Colonel Hogan!" - Sgt. Schultz


new staufon | July 18, 2007 - 9:06pm

[reply »](#)

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company 
Contact Us | Newsroom Contacts | Communication Forms | Subscriptions | Advertising | Terms of Use
Daily News Jobs | RSS Feeds | ADN Store | Newspapers in Education | Privacy Agreement

A member of the
Real Cities Network

FBI - Stevens-1113

UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS			
Last Name	First Name and Middle Initial	Assess Period Calendar Year Covered by Report	Senate Office (Address or Mailing Envelope)
STEVENS	THEODORE (TED) F.	2006	
Senate Office Address (Avenue, Street, City, State, and ZIP Code)	Senate Office Telephone Number (Include Area Code)	Termination Report Termination Date (month/day/year)	Previous Office (Agency or Branch) Employed
SENATE HART 522 WASHINGTON DC 20510	(202)224-3004		
AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART			
	YES	NO	
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than \$305 from one source)? If Yes, Complete and Attach PART VI.
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than \$200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did you, your spouse, or dependent child have any reportable liability (more than \$10,000) during the reporting period? If Yes, Complete and Attach PART VII.
Did you, your spouse, or dependent child hold any reportable asset worth more than \$1,000 at the end of the period, or receive unearned or investment income of more than \$200 in the reporting period? If Yes, Complete & Attach PART IIIA and/or IIIB.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than \$1,000 in the reporting period? If Yes, Complete and Attach PART IV.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than \$305 and not otherwise exempt)? If Yes, Complete and Attach PART V.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	If this is your FIRST Report: Did you receive compensation of more than \$5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.
Each question must be answered and the appropriate PART attached for each "YES" response.			
File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. \$200 Penalty for filing more than 30 days after due date.			
This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1991.)			FOR OFFICIAL USE ONLY Do Not Write Below this Line
Certification	Signature of Reporting Individual	Date (Month, Day, Year)	07 JUL 17 PM 20:26
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.		7/17/07	
For Official Use Only - Do Not Write Below This Line			
It is the opinion of the reviewer that the statements made on this form are in compliance with Title I of the Ethics in Government Act	Signature of Reviewing Official	Date (Month, Day, Year)	

Reporting Individual's name
Theodore (Tad) F. Stevens

PART II. EARNED AND NON-INVESTMENT INCOME

Page Number
2

Report the source (name and address), type, and amount of earned income to you from any source aggregating \$200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate \$1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:

For you and/or your spouse, report honoraria income received which aggregates \$200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

Name of Income Source		Address (City, State)		Type of Income	Amount
Examples:	JP Computers	Wash, DC	Example	Salary	Example
	MCI (Spouse)	Arlington, VA	Example	Salary	Example
1	(S) Mayer, Brown, Rowe & Maw, LLP	Washington, DC		Salary	over \$1,000
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources		BLOCK B Valuation of Assets										BLOCK C Type and Amount of Income																						
Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.		At the close of reporting period If None, or less than \$1,001, Check the first column										If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.																						
												Type of Income					Amount of Income																	
		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000...	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000...	\$1,000,001 - \$5,000,000	Over \$5,000,000	Actual Amount	Required "Other" Specified
S,	IBM Corp. (stock)			X									X							Example	X												Example	
Example: DC, or J	(S) Keystone Fund				X										X		X			Example	X												Example	
1	(S) Credit Suisse Securities, LLC San Francisco, CA (Money Market)			X									X										X											
2	(J) United States Senate Federal Credit Union Washington, DC				X										X									X										
3	(J) Wells Fargo (Checking Account) Anchorage, AK		X												X							X												
4	(S) Bank of America (Checking Account) Washington, DC		X												X							X												
5	(S) Wells Fargo (Checking Account) Wickenburg, AZ (1/3 interest)		X												X							X												
6																																		
7																																		
8																																		
9																																		
10																																		

EXEMPTION TEST (see instructions before marking box) If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset is held independently by the spouse or dependent child. If the asset is held either jointly by the filer or jointly held, use the other categories of value, as appropriate.

☐

Reporting Individual's Name

Thendore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

4

BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources		BLOCK B Valuation of Assets								BLOCK C Type and Amount of Income																				
Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.		At the close of reporting period If None, or less than \$1,001, Check the first column								If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.																				
										Type of Income						Amount of Income														
		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	Over \$5,000,000	Actual Amount	Required if "Other" Specified
Example: DC, or J	IBM Corp. (stock)			X						X							Example	X											Example	
	(S) Keystone Fund				X						X		X				Example	X											Example	
1	IRA w/Fidelity Investments as Custodian Consisting of the following:																													
2	Fidelity Cash Reserves	X								X											X									
3	Fidelity International Small Cap Opportunity Fund				X					X								X												
4																														
5																														
6																														
7																														
8																														
9																														
10																														

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset was held independently by the spouse or dependent child. If the asset was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

Reporting Individual's Name Theodore (Ted) F. Stevens		PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES										Page Number 5		
BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.		BLOCK B Valuation of Assets At the close of reporting period. If None, or less than \$1,001. Check the first column.							BLOCK C Type and Amount of Income If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.					
									Type of Income		Amount of Income			
									Other (Specify Type)					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,001 - \$50,000					
									\$50,001 - \$100,000					
									Over \$100,000					
									None (or less than \$201)					
									\$201 - \$1,000					
									\$1,001 - \$2,500					
									\$2,501 - \$5,000					
									\$5,001 - \$15,000					
									\$15,0					

Reporting Individual's Name Theodore ("Ted") F. Stevens	PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES	Page Number 6
--	--	------------------

BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources	BLOCK B Valuation of Assets	BLOCK C Type and Amount of Income																
Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.	At the close of reporting period If None, or less than \$1,001. Check the first column.	Type of Income							Amount of Income									
		Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	Over \$100,000	Actual Amount Required if "Other" Specified
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000						
Example: DC, or J (S) IBM Corp. (stock)									Example	X								Example
(S) Keystone Fund				X					Example	X								Example
1 (S) MAYER, BROWN, ROWE & MAW 401(k) plan administered by:																		
2 BOK Financial Services and consists of the following funds:																		
3 (S) DWS Equity 500 Index Fund (Formerly Scudder Equ 500 Index Fund)			X											X				
4 (S) TCW Select Equities Fund 1 (Formerly TCW Galileo Select Equ Fund)			X							X								
(S) Jennison Small Company Z			X							X								
6 (S) STI Classic Sm Cap Growth Stock Fund	X									X								
7 (S) Fidelity Adv. Diversified Intl Fund			X											X				
8																		
9																		
10																		

EXEMPTION TEST (see instructions below marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset was held independently by the spouse or dependent child. If the asset was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

JUL - 17-2007 21:50 MCCLATCHYDC

Reporting Period

Theodore (Ted) Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

7

BLOCK A

Identify Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

- (1) had a value exceeding \$1,000 at the close of the reporting period; and/or
- (2) generated over \$200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B

Valuation of Assets

At the close of reporting period
if None, or less than \$1,001,
Check the first column

BLOCK C

Type and Amount of Income

If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

Type of Income

Amount of Income

S, Example: DC, or J		JP Computer, Wash DC		X		X		Example	X																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				</
----------------------------	--	----------------------	--	---	--	---	--	---------	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

EXEMPTION TEST (see instructions before marking box) If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

Theodore (Ted) F. Stevens

PART III.B. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

8

BLOCK A Identify of Non-Publicly Traded Assets and Unearned Income Sources		BLOCK B Valuation of Assets At the close of reporting period. If None, or less than \$1,001, Check the first column. \$										BLOCK C Type and Amount of Income																				
												Type of Income					Amount of Income					Actual Amount Required if "Other" Specified										
Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)		None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000
Example: DC, or J	JP Computer, Wash DC				X									X							Example	X										Example
	Undeveloped land, Dubuque, Iowa					X															Example	X										Example
1	(S) CHAMER COMPANY INC. Anchorage, AK (Family Investment Co.)																															
2	(S) Investment in Rental House Wickenburg, AZ				X																	X										
3	(S) Interest in Commercial Property Anchorage, AK			X																		X										
4	(S) Interest in Bank Account- Wells Fargo Anchorage, AK		X																			X										
5																																
6																																
7																																
8																																
9																																
10																																

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset was held independently by the spouse or dependent child. If the asset was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

MC 10-10-80

JUL-17-2007 2:1:51

Therese (Ted) F. Stevens

PART IV. TRANSACTIONS

9

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

Identification of Assets				Transaction Date (Mo., Day, Yr.)	Amount of Transaction (X)									
					Purchase	Sale	Exchange	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000**
Example: S, IBM Corp. (stock) NYSE				2/1/0X	X			X						
Example: DC, or J (DC) Microsoft (stock) NASDAQ/OTC				1/27/0X		X				X				
1 Alaska's Great Eagle, LLC (Capital Call)				6/6/06				X						
2 Alaska's Great Eagle, LLC (Capital Call)				11/28/06				X						
3 Alaska's Great Eagle As Well, LLC (Capital Call)				5/18/06				X						
4 IRA with Fidelity Investments as custodian: Fidelity International Small Cap Opp Fund				10/6/06	X					X				
5 Stockmen's Bank (Now National Bank of Arizona) (checking account) Wickenburg, AZ (Gifted to Family)				5/15/06				X						
6 TFStevens Bedbug Outfit - undivided 1/2 interest in Livestock Congress, AZ (Gifted to Family)				05/15/06				X						
7														
8														
9														
10														
11														
12														

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset was held independently by the spouse or dependent child. If the asset was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

P. 11-15

SLATCHYDC

JUL -17-2007 21:52

Reporting Individual's Name		PART IV. TRANSACTIONS				Page Number										
Theodore (Ted) F. Stevens						10										
<p>Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.</p>		Transaction Type (x)		Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)											
Identification of Assets		Purchase	Sale		Exchange	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000
S, Example DC, or J	IBM Corp. (stock) NYSE	X			2/1/0X	X										
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X			X								
1	(S) CITIGROUP SMITHBARNEY- IRA Consisting of the following funds:															
2	(S) CGCM- Large Cap Value Equity	X			1/30/06	X										
3	(S) CGCM- Small Cap Value Equity		X		1/30/06	X										
4	(S) CGCM- Emerging Markets Equity		X		1/30/06	X										
5	(S) CGCM- International Equity	X			1/30/06	X										
6	(S) CGCM- Large Cap Growth Equity	X			1/30/06	X										
7	(S) CGCM- Small Cap Growth Equity		X		1/30/06	X										
8	(S) CGCM- International Equity		X		8/22/06	X										
9	(S) CGCM- Large Cap Growth Equity	X			8/22/06	X										
10	(S) CGCM- Large Cap Value Equity	X			12/15/06	X										
11																
12																

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset was held independently by the spouse or dependent child. If the asset was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

Identification of Assets				Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)									
					Purchase	Sale	Exchange	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000**
Example: S, IBM Corp. (stock) NYSE				2/1/0X	X			X						
Example: DC, or I (DC) Microsoft (stock) NASDAQ/OTC				1/27/0X		X				X				
1 (S) MAYER, BROWN, ROWE & MAW- 401(k) plan administered by BOK Financial Services. Consisting of the following funds:														
2 (S) DWS Equity 500 Index Fund				1/1/05	X			X						
3 (S) TCW Select Equities Fund 1				1/1/05	X			X						
4 (S) STI Classic Sm Cap Growth Stock T Fund				1/1/05	X			X						
5 (S) Fidelity Adv. Diversified Int'l Fund				1/1/05	X			X						
6 (S) DWS Equity 500 Index Fund				4/1/05	X			X						
7 (S) TCW Select Equities Fund 1				4/1/05	X			X						
8 (S) STI Classic Sm Cap Growth Stock T Fund				4/1/05	X			X						
9 (S) Fidelity Adv. Diversified Int'l Fund				4/1/05	X			X						
10 (S) STI Classic Sm Cap Growth Stock T Fund exchanged for Jennison Small Company Z				10/1/05			X	X						
11 (S) DWS Equity 500 Index Fund				11/22/05		X		X						
12 (S) TCW Select Equities Fund 1				11/22/05		X		X						

EXEMPTION TEST (see instructions below marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset is held independently by the spouse or dependent child. If the asset is held jointly by the filer or jointly held, use the other categories of value, as appropriate.

☐

Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

12

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

Identification of Assets		Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)									
		Purchase	Sale	Exchange		\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	Over \$25,000,000
Example: DC, or J	IBM Corp. (stock) NYSE	X			2/1/0X	X									
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X			X							
1	(S) MAYER, BROWN, ROWE & MAW- 401(k) plan administered by BOK Financial Services. Consisting of the following funds:														
2	(S) Jennison Smail Company Z		X		11/22/06	X									
3	(S) Fidelity Adv. Diversified int'l Fund		X		11/22/06	X									
4															
5															
6															
7															
8															
9															
10															
11															
12															

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset was held independently by the spouse or dependent child. If the asset was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

PART V. GIFTS

Report the source, brief description and value of all gifts aggregating more than \$305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of \$122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

Name of Income Source		Address of Source	Dates and Brief Description	Gift Value
Example:	Mr. John Q. Smith	Anytown, VA	Example: August 12, 200X, Silver platter - Ethics Committee waiver granted	\$400
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2005, Smith & Wesson; Engraved for public service	\$1,400
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of \$49.99.

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

Name of Organization		Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	National Assn. of Rock Collectors	NY,NY EXAMPLE	Non-profit education	President	6/90	Present
	Jones & Smith	Homelawn, USA EXAMPLE	Law Firm	Partner	7/85	11/0X
1	Dwight D. Eisenhower Memorial Commission	Washington, DC	Presidential Appointment	Member of the Board	4/01	Present
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

Compensation in excess of \$200 from any position must be reported in Part II.

Theodore (Ted) Stevens

PART V. GIFTS

Amended

2002

Report the source, brief description and value of all gifts aggregating more than \$305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of \$122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example: Mr. John Q. Smith	Arlington, VA	Example August 12, 200X, Silver platter - Ethics Committee waiver granted	\$400
1 Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2002, Marlin Guide; Engraved for Public Service	\$650
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			

Note: The Senate Gift Rule prohibits most gifts in excess of \$49.99.

T. Stevens

01/10/02

DECLATCHYDC

JUL-17-2007 21:54

RECEIVED
JUL 17 PM 2:26
U.S. SENATE

Page 1 of 2
Theodore (Ted) F. Stevens

PART V. GIFTS

Page 1 of 2
Annotated
2003

Report the source, brief description and value of all gifts aggregating more than \$305 in value received by you, your spouse, or your dependent child. (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of \$122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

Name of Income Source		Address of Source	Dates and Brief Description	Gift Value
Example:	Mr. John Q. Smith	Anytown, VA	Example August 12, 200X, Silver platter - Ethics Committee waiver granted	\$400
1	Kenal River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2003, Winchester Model 70 Super Grade, Engraved for Public Service	\$1,400
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of \$49.99.

John F. Stevens

RECEIVED
07 JUL 17 PM 2:26
SECRETARY OF THE SENATE

PART V. GIFTS

Report the source, brief description and value of all gifts aggregating more than \$305 in value received by you, your spouse, or your dependent child. (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of \$122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

Name of Income Source		Address of Source	Dates and Brief Description	Gift Value
Example:	Mr. John Q. Smith	Anytown, VA	Example	
1	Kanal River Sportfishing Assoc. 501(c)3	Kennai, Alaska	August 12, 200X, Silver platter - Ethics Committee waiver granted	\$400
2			July 2004, Service 475 Silver Eagle Side by Side; Engraved and scripted in recognition for public service	\$1,800
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of \$49.99.

Ted Stevens 7/17/07

Reporting Individual's Name

THEODORE (TED) F. STEVENS

PART V. GIFTS

Page Number

2008 Annual

TOTAL P. 13

Report the source, brief description and value of all gifts aggregating more than \$305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of \$122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

Name of Income Source		Address of Source	Dates and Brief Description	Gift Value
Example:	Mr. John Q. Smith	Anytown, VA	Example	
1	Kenai River Sportfishing Assoc. 501(c)3	Kenai, Alaska	July 2005, Ruger Alaskan Ropyber, Engraved and accepted in recognition for public service	\$800
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of \$49.99.

Ted Stevens 7/12/07

SECRETARY OF THE SENATE
07 JUL 17 PM 2:40

TOO MUCH STUFF?

SELL IT FAST!

Place a garage sale ad in the Anchorage Daily News and get a **FREE** garage sale kit!

FREE GARAGE SALE KIT!

Anchorage Daily News: Alaska's Newspaper

[Search](#) [Archives »](#)

[home](#) [alaska](#) [life](#) [money](#) [entertainment](#) [outdoors](#) [sports](#) [blogs](#) [classified](#) [alaska.com](#) [help](#)

news
entertainment
life
money
obituaries
opinion
outdoors
sports
blogs
weather
shopping
jobs
cars
homes
rentals
deals
ads from print
alaska.com
rss feeds
adn store
adnmail
crossword puzzle
blogs
help

Roll Call on Young

Posted: July 18, 2007 - 10:59 am

Roll Call has a story today on Don Young campaign contributions, reporting that:

(Young) has acknowledged taking more than \$5,500 in illegal campaign contributions from a seafood trade association since 2001, but has informed federal officials he will only pay back a portion of those funds because some of the violations fall outside the statute of limitations for campaign finance violations.

At issue appears to be a bunch of crab or seafood that the Pacific Seafood Processors Association has been donating to Young fund-raisers in D.C. over the past few years, Roll Call reports.

The problem is, trade associations aren't allowed to make political donations to Congressmen, according to the paper.

[add new comment](#)

Lisa Murkowski

Kyle, when are we going to get a thread on her deal with Penney.
The deal is getting national attention.

new theodosius30 | July 20, 2007 - 3:59am

[reply »](#)

Ntl Press

The only national ink this story has gotten has been on the TPM website.

Actually, it's getting kind of echo-ee in here.

TPM reports it, then the ADN reports it, then TPM reports that the ADN reported it.

To be fair, KTUU has picked up as did the Juneau Empire.

Beyond that, no other media outlets have reported this story. (that show up on google.news anyways...)

This is a non-story, really. When it's all said and done there's nothing there, unless the assessor was playing games with those numbers.

The dirt path to Murky's door will involve Cornell and VECO, but it will go through the Campaign Treasurer of her 04 Senate run.
That's the story.

Kyle -

Here's a nuggle for ya, Benino Filal is in up to his

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2006, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.



The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

Ads by Google

Alaska MLS Listing \$299

Why Pay 6% ?

Direct Access to

Alaska MLS.

www.congressreality.com

Moving to Anchorage?

Browse current

listings of homes in the Anchorage

area.

www.greatalaska.net/hou

India BnB & Yoga

Retreat

Affordable

Anchorage

Lodging. Fresh

Indian & American

breakfast

www.indialinalaska.com

Alaska Hard

Money Loans

Commercial

Mortgage Loans

Compared Hard

Money Lenders

Reviewed - AK

www.BusinessInfotoday.c

FBI - Stevens-1132

194-AN-13620-M; 498

earballs in the Abramoff muck and is now a cooperating witness for the Feds.

BTW, Don Young is a very good friend of Mr. Filal and was instrumental in carrying out Delay's policies (which were Abramoff's policies) in the CNMI.

new twentythreeskidoo | July 20, 2007 - 5:38am

reply »

Murky indeed

What caused the governor to change his strongly stated opposition to privatized prisons? He hasn't explained his shift yet. But in May 2003, a prominent Anchorage architect named Mark Pfeffer met with his aides to promote the Veco-Cornell prison project. Pfeffer had recently joined the prison consortium, and he had also signed on as treasurer for Lisa Murkowski's reelection campaign. Around that time, her father began to back away from his pledge to oppose private prisons, issuing a vague announcement that his administration would take a "fresh look" at the Veco-Cornell prison plan.

new BravoSierra | July 20, 2007 - 6:19am

reply »

Murkiness

Here is the link to the story that Salon.com ran in 2004.

new twentythreeskidoo | July 20, 2007 - 6:33am

reply »

The Muckraker Express

Here is an interesting comment posted on the Muckraker Express website regarding Don Young and the appropriation for Native Alaska education.

"So if education monies were the target of being struck specifically from African American education efforts for Black History Month (February) by "conservative" Republicans, how long would it take for Jesse Jackson and Al Sharpton and other "progressives" to howl at the moon over such actions?

What labels would be attached to the good representatives from New Jersey?

It would be a national racist story of epic proportions, but since it is going for Native Alaskan and Native Hawaiian education efforts, it seems to be OK to racially profile them as a group for funding cuts.

Spare me on how progressive your thinking is on this subject."

new nerka86 | July 19, 2007 - 12:54pm

reply »

The Dom

Is just cranky because he has to give some of his marbles to his lawyers.

It hasn't dawned on him yet that his backroom deals of the past are becoming ever more of a liability.

This is a non-story save for his childish outburst, which seem to be happening more frequently of late.

My question is, exactly what programs does this money help fund ?

Does anybody know the answer to that ?

new twentythreeskidoo | July 19, 2007 - 1:18pm

reply »

Alaska Native Education Equity PROGRAM DESCRIPTION

Small spenders - 7/16/2007
8:32 pm

Mental illness and guns
(UPDATED) - 7/16/2007 4:43
pm

Candidata Harris - 7/16/2007
10:39 am

Lots of lawyering - 7/16/2007
10:01 am

Replacing Kohring - 7/14/2007 -
2:28 pm

Should dogs be banned from
ballfields? - 7/13/2007 12:22
pm

No free wi-fi? - 7/13/2007 12:17
pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are
essential' - 7/12/2007 4:38 pm

full archive »

FBI - Stevens-1133

The overall purpose is to meet the unique education needs of Alaska Natives and to support supplemental education programs to benefit Alaska Natives.

TYPES OF PROJECTS

Allowable activities include, but are not limited to, the development of curricula and education programs that address the education needs of Alaska Native students, and the development and operation of student enrichment programs in science and mathematics. Eligible activities also include professional development for educators, activities carried out through Even Start (# 84.213) programs and Head Start programs, family literacy services, and dropout prevention programs.

US Department of Education

new Emperor | July 19, 2007 - 2:00pm

reply »

thanks emperor

KTUU reported tonight that Cook Inlet Tribal Council is one recipient of some of this money.

new twentythreeskidoo | July 19, 2007 - 6:46pm

reply »

Everyone?

So now the ENTIRE Alaskan delegation to DC is under investigation?!?

new quixoticneophyte | July 19, 2007 - 11:28am

reply »

Corruption in Alaska Wouldn't Be Complete Without Some

Teamster Muscle

In addition, Young's current district director in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers. Young and Sen. Ted Stevens (R-Alaska), who has hired his own team of lawyers to deal with that probe, were the top recipients of donations from the executive and that company.

new twentythreeskidoo | July 18, 2007 - 9:41pm

reply »

From TPMuckraker.com - by Mike D.

Don Young and my late father were friends in the Army around 1956-57. My family lived in Los Angeles, and when Young passed thru town once in the mid-70s, when I was about 14 or 15, my dad and I met him at the airport before his flight home. He was carrying a briefcase with a bumpersticker on it that said, "Don Young / Congressman for all Alaska." I also remember that my dad told me that Young's nickname in the Army was "Rabbit," due to his buck teeth.

There's one other thing from that meeting that I remember, although I could certainly understand if people are skeptical of my recollection, which I suppose would be impossible to verify. But I swear I remember Young and my dad discussed the time when Young was in the Army and had gotten drunk and crashed an Army jeep, leaving Young's passenger paralyzed. They wondered what had happened to the passenger, and neither of them knew.

That's my story, believe it or not. Young wouldn't be the first Republican criminal to escape justice, and his actions wouldn't seem out of character for someone who has apparently threatened to eat New Jersey schoolchildren. **FBI - Stevens-1134**

Posted by: Mike D.

Date: July 19, 2007 1:39 AM

=====

This reminds Alaskans of Ben Stevens' DUI that got him 4 yrs of probation, then the judge slapped another 2 on him... so Ben could not run for office until that was done - at age 39. Tony Knowles does Ted a favor, appoints spoiled brat-bully Ben to state Senate, and thus began the cycle of special privilege arrogant corruption. And in Adak case later, Solberg claims Ben and Ted stayed up till 4 am drinking like real men, then got right back up at 8 am - as if they were tough. Was he really saying Ben and Ted DID talk about the fish deals? FBI ought to be all over that hot evidence like salsa on chips.

This also reminds us of the joke, Why do the states each have two Senators? So one can be the designated driver! That is if the Anchorage PD doesn't catch her in the back seat of a car making it a snowmobile and get let off because daddy was a drinking Senator too.

That's right, we have no respect for you political pond scum any longer.

new staufen | July 18, 2007 - 8:46pm

[reply »](#)

Mike D

Is Mike D Representative Doogan from Anchorage? Wow, what a story.

new theodosius30 | July 20, 2007 - 5:09am

[reply »](#)

Why the ADN frustrates me.

I posted this exact information on this blog 2 days ago, under your "Lots of Lawyering" post and asked why the ADN was not reporting on it. So now, 2 days later and after another media outlet has reported the story, the ADN posts the information on its blog, and doesn't bother to write a story about it.

What is wrong with this newspaper??? Alaska's only Congressman admits to taking illegal contributions from the seafood industry over a period of years, and is only willing to pay back money for crimes occurring within the statute of limitations -- folks this is NEWS.

Seems like this warrants a question or two by the ADN, a newspaper that claims to serve all of Alaska. For example, how much crab does Young claim is \$700-800 worth (the amount he says he got from the seafood processors)? Since he admits the contributions were illegal, why isn't Young willing to pay all of them back? Isn't one's Congressman supposed to be a role model for Alaskans? It's bad enough that Young goes around talking about biting other Representatives like a mink, without him acting like a criminal defendant who is only willing to make restitution to some, but not all, of his victims.

The ADN just is NOT doing its job. It's very disappointing.

new alambarnakis | July 18, 2007 - 8:46pm

[reply »](#)

I have to agree with alambarnakis

Just this morning when I saw the headline on the ADN about Lisa's property, I thought how "old" this news was. People have been talking about that for 3 days at least - and ADN just now does a story.

On another note about the video of Young threatening New Jersey that is floating around on the internet - I really think Young and Stevens are responsible for people hating Alaskans and our great state. All you have to do is read the comments being posted on TPMuckracker and other blogs.

The balance of costs and benefits of keeping Young and Stevens in office is dipping into the 'cost' side of things now.

new simplesimon23 | July 19, 2007 - 4:29am

[reply »](#)

Deja Vu! it's true

well, what do you expect from the same newspaper that has yet to run a front page apology to Ray Metcalfe? There are some very good reporters at ADN, but something remains truly psychotic at the top. That's why it takes national news venues to convince some of the writers to beg their editor/publisher to run something... and Kyle probably has to run it under the blog, because to run it as real NEWS would just tear the heart valves out of the publishers psychoses.

It was crab and salmon, and worth a helluva lot more than disclosed... and we all know it. And Don Young pays \$262k for attorneys and sits in House for how long? but still doesn't know the statute of limitations is 5 not 3 years?! Disappointing indeed.

Groundswell Fisheries Movement

new staufen | July 18, 2007 - 8:55pm

reply »

Get over it Ray

Just because Ray Metcalfe said he thought Ben Stevens did something wrong (and is likely correct about it) doesn't mean he should be anywhere in politics. He's a creepy man who drives "2Red4U" around town- his mac daddy caddy. Things in HIS past prove he's not the moral compass Alaskans should follow. ps- Theresa Obermeyer also thinks the Stevens are corrupt, but I'm pretty sure no one wants her in office anywhere.

new acom | July 18, 2007 - 9:23pm

reply »

Your knowledge of Alaska history is lacking

Ray Metcalfe signed his name to a complaint, and laid down his own money, helping to stop Tony Know-less (another 'prostitute' to the oilies) from permitting the ARCO monopoly on the N. slope. The FTC seems to have seen Ray's perspective in that case as correct...

With little or no financial reserves, he signed his name as a party to a suit that reversed legislation supported by some of the crooks now on trial that would've made it much more difficult for the average Alaskan to confront apparent constitutional violations by our State 'government.'

Ray Metcalfe travelled on his own dime over the last half-dozen years, at a time that he had few dimes to spare, to educate Alaskans about how badly they've been ripped off for oil revenues, ever since Ramona 'Tammy Fae' Barnes' and Ed Stankworth's oil give-aways, under their re-birthed ELF.

And he has provided useful information about soon-to-be-felons in legislative offices -WAY- beyond ol' tantruming Benny.

I could go on, but I won't. His list of -serious- efforts in very real public service, at his own expense, goes -WAY- beyond Benny and Ted Stevens' poorly-closeted skeletons.

So what have you done to turn Alaska toward pursuing a path of honest government lately?? Did you give 'til it hurt, or take 'til you couldn't consume any more??

I'll second the motion: "DRAFT RAY METCALFE TO THE U.S. SENATE!!" (And lock away the oil companies' legislative prostitutes in an earthen cell, with all of their favorite lobbyists.)

BTW, when do former AG Marquez's and Frank Murkowski's conspiracy and obstruction indictments come out, if at all? (It seems that someone didn't want APOC investigating ol' Benny, back when he was carrying the water in the Senate for Franky's PPT. Purely a coincidence, I'm sure...

new F_Finkle | July 19, 2007 - 12:42am

reply »

You seem the type...

how typical - locker room players think anyone with a conscience and stand-alone ethical capacity is a bit creepy. Translation - you don't find them manipulatable to your liking, you can't get them to cut you or your company a special deal, so you wonder what use such honest people are.

Update - that caddy is long gone.

Challenge - name the HIS past items you are referring to; and while you're at it, join the open society and expose your own name in this public debate. It's only fair, else folks will feel your prejudice or bias is all that's showing.

Let's help you get started on the list - he was in the Legislature and did not like the Religious Right takeover ploy of Jerry Falwell; he was chair of the ad hoc committee on the PFD - and many Alaskans appreciate the service of that committee every year; he was a roustabout on various rigs, so got along fine with working men; and that's right, he's one helluva dancer and the ladies get

FBI - Stevens-1136

along just fine; oh we almost forgot, he can walk down the street and have many people he never met before stop him, shake his hand, and thank him for the service he has done for all Alaskans by exposing the corruption and ensuring the FBI was on it - after all, you might notice they are following the blueprint of his APOC filings.

We know you mean well for Alaska, but if not Ray, then who else at this time should have a shot at cleaning up this mess and getting back the 100 billion bucks that was ripped off? Because we can guarantee you that others will try to steal the limelight, have the "praise and honors for the non-participants" trophy in their name, but all of those legislators and candidates stood by for many years as Ray shared all the documents with them, and not one of them lifted a finger to get it right, just as every state agency failed to do its job too. I think this one major fact alone qualifies Ray above all other candidates. No, he's not perfect, and will be the first to tell you that, but he has a good heart and his political ethics are rock solid. He's earned the chance.

DRAFT RAY METCALFE FOR THE U.S. SENATE!

Brgds, Stephen T.

new staufen | July 18, 2007 - 9:41pm

reply »

Arrogance

Believing he is some how entitled is pure arrogance.

new Ter_H | July 18, 2007 - 6:34pm

reply »

Not good

it's a giant FU to the citizens of Alaska and the system that's in place to prevent these ethical violations...and in some cases criminal actions.

I also hope Lisa Murkowski owns up to the purchase price of that land deal from pal Penney. I view that as an even greater lapse of ethics.

new Stags_Leap | July 18, 2007 - 3:56pm

reply »

This won't hurt him in Alaska.....

particularly bush alaska where the school money is being taken from.

As for lisa, haven't you heard, she bought it for the appraised value of \$176,000, fair and square?

You might want to find another windmill to joust at.

new truthseeker | July 18, 2007 - 8:36pm

reply »

do your home work

She paid the accessed value NOT the appraised value which is 100,000 more! She filled out a questionair at the borough office it is public record!

new grateful | July 18, 2007 - 9:29pm

reply »

FBI - Stevens-1137

The Dom At His Finest

This is classic, check out the YouTube video Here

The stress is getting to him, he needs to relax a little bit.

"And if we continue this, what I call biting one another, very much like the mink in my state, that kill their own, there's always another day, and those that bite will be killed too, and I'm very good at that."

"Those that bite me will be bitten back." - Don Young

new twentythreeskidoo | July 18, 2007 - 3:52pm

reply »

>>"Those that bite me will be bitten back." - Don Young<<<
Don, Frank, and Ted apparently all attended the same charm school.

Never mind that one of Don's former aids has already plead out re. Abramoff issues (behavior that was completely unbeknownst to Don, I'm sure....)

Alaska has accepted these corporatist prostitutes and clowns as 'representation' simply because they bring the biscuits and gravy back home when slicing up the federal tax slops; the greed of the State as a whole has caused many to turn a blind eye to the behaviors of these three bafoons for decades, in exchange for personal gain and large contracts. Not so different from some of those we're now prosecuting, in that regard...

What price, integrity??

Ain't rugged individualism and independence grand??

They are all the products of a hungry quasi-welfare state that consumes federal tax money in a similar wasteful fashion as some who abuse the food stamp program.

Humility, integrity, and reverence are not in their characters, but dollar signs eclipse their vision.

new F_Finkle | July 18, 2007 - 6:45pm

reply »

Remember Ben Franklin?

He who proposed the U.S. flag feature a rattlesnake with the legend:

"Don't Tread On Me"

He lost that battle, setting the stage for so much abuse of our good nature over a couple of centuries.

I hadn't thought of Don Young as a latter-day Franklin until just now, so THANK YOU for the inspiration!

new rfn | July 19, 2007 - 9:00am

reply »

Maybe Farmed Salmon would have been more appropriate

Alaskan seafood and crab was served. Maybe everyone would feel more comfortable if fresh farmed salmon, which is less expensive, would have been served instead.

new nerka86 | July 18, 2007 - 12:37pm

reply »

What SHOULD be done

has little relevance in today's climate where the rulers of the land have a sense of entitlement. So get over it. If an action or inaction is probably not illegal, or at least doesn't involve jail time, it is fair game.

That is why we need helmet safety laws, right? And poop laws? And seat belt laws? And financial disclosure laws? And...and...and....

new Dusty | July 18, 2007 - 12:12pm

reply »

FBI - Stevens-1138

I am appalled

Not because of the illegal contributions which in the context of Young's warchest were de minimis. But because of the absolute "chutzpa" which he demonstrates by saying that he will not return the contributions that fall outside of the statute of limitations. This man obviously has no sense of right and wrong. Reminds me of the old adage "Power corrupts and absolute power corrupts absolutely."

new theodosius30 | July 18, 2007 - 10:53am

reply »

going down

stevens times 2, murkowski times 2, young, and more than a few Alaska legislators are all going to be investigated and made to stand trials for their wrongs and it is way over due,

new grateful | July 18, 2007 - 9:35pm

reply »

Young's Behavior

... in regard to repaying money is simply that of a narcissistic opportunist behaving as narcissistic opportunists are prone to behave.

For him it matters not that there is an appearance of 'improper influence in government,' but rather, 'what can you actually hurt me for...'

Years ago we called that 'pig-headedness.'

It's not been about a sense of conscientious, personal-morality-based 'right or wrong' in decades, for most of Congress, or even Juneau, for that matter.

It's been about 1.) Power, 2.) Partisan Power, 3.) Providing 'spin' and propaganda to the non-researching public, so as to maintain the first two attributes every other November, and 4.) The Historic Foibles of Human Kind when empowered with the authority to make decisions over others.. Cancerous, it is...

Socially Conscious Anarchy is highly under-rated in my opinion; it tends to more effectively eradicate this whole 'alpha wolf phenomenon' that we now see in the current established Oligarchy, and within -both- major political parties in this Country.. to greater and lesser degrees.

But by all means, protect me from myself. After all, where would I be without Big Government???

Where are the Bolsheviks when ya' need a hand, eh??

new F_Finkle | July 18, 2007 - 12:48pm

reply »

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company ~~Inc.~~
Contact Us | Newsroom Contacts | Communication Forms | Subscriptions | Advertising | Terms of Use
Daily News Jobs | RSS Feeds | ADN Store | Newspapers in Education | Privacy Agreement

A member of the
Real Cities Network

FBI - Stevens-1139

Team Coverage

Criminal investigation into three Alaskan lawmakers

By Andrea Gusty and Matthew Simon, CBS 11 News Reporters
KTVA

Article Last Updated: 07/25/2007 08:29:36 PM AKDT

Senior House Republican Don Young has come under criminal investigation. It is a Wall Street Journal story, published Wednesday, that states Representative Young is being investigated for his alleged ties to VECO Corporation and the Legislative corruption scandal.

Three former Alaskan lawmakers are charged with bribery, extortion and money laundering in connection with the case. Others are expected to be named in the scandal. The journal says investigators are trying to determine whether Young or U.S. Senator Ted Stevens took bribes, illegal gratuities or unreported gifts from VECO.

In a statement issued Wednesday, Senator Stevens said:

I know Alaskans are interested in my views on the investigation. While I understand this interest and would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work.

Congressman Young's office has no comment on the investigation.

With Congressman Young's name added to the list of lawmakers being investigated, both of Alaska's ranking members of the Washington delegation are in the fed's sights.

So where does that leave Alaska?

Young and Stevens have more than 70 years combined service on Capitol Hill, but the ethics investigations could mean the end of the Young-Stevens era.

And that could mean big changes for Alaska.

The federal ethics investigation has spread from Juneau to Capital Hill with all three of Alaska's Republican Washington representatives under some sort of federal ethics investigation: Young for campaign contributions, Stevens for his ties to VECO and Lisa Murkowski for land deals.

"Federal investigations do two things. One, they find problems, but they can also find that there are no problems. So to jump to conclusions at this time as to what the findings will be, I can only conjecture with you, which is a waste of time," said Randy Ruedrich of the Republican Party of Alaska.

The state's Democrats say that lawmakers need to be straight with Alaskans about the investigations.

"In Don Young case, he's our only guy there in Washington DC, and he needs to come forward and tell us that he can do his job, even while under a criminal investigation. And he needs to tell us why," said Jake Metcalfe of the Alaska Democratic Party.

Now many worry the investigations will tarnish Alaska's reputation and that it could leave the door wide open for the Democrats to take over.

"To be fair, Don Young and Ted Stevens have been doing a fine job for most of their public carrier, but we are in a situation now where we have to ask if they are going to be able to perform to the high levels of Alaska's needs in the 21st century? And I think the public is going to look at that question and say, 'No,'" said possible candidate, Ethan Berkowitz.

No matter who will represent Alaska in the future, they may have a tough time repairing the state's national image.

"Right now, the reputation of the state is being stained by the investigations that are going on. And it's going to take a long time to repair it," said Metcalfe.

FBI - Stevens-1140

194-AN-13620-M; 449

Both Congressman Young's and Senator Stevens's seats are up next year. At least two influential Alaskan Democrats are being groomed by the national party to run against them. Young and Stevens have more than 70 years combined service on Capitol Hill.

Federal law enforcement sources say Young is under scrutiny for campaign finance practices relating directly to former VECO CEO Bill Allen.

Every August for the last 10 years, Allen held fundraisers for Young called "The Pig Roast." Public records show Young received 157,000 dollars from VECO employees and its political action committee between 1996, and 2006.

Earlier this year, Young filed a Federal Election Commission amendment. In essence, Young changed his campaign financial disclosure records to reflect he'd actually received 38,000 fundraising dollars from Allen in 2006.

That is why federal officials confirm they are now looking into Young.

To contact Andrea or Matthew, call 907-273-3186.



Close Window

Send To Printer

FBI - Stevens-1141

[<<Back](#)

Alaska reacts to Young article

by Megan Baldino
Wednesday, July 25, 2007

ANCHORAGE, Alaska -- Rep. Don Young is once again under fire as the Wall Street Journal reports he is now part of a federal investigation in the Justice Department's influence peddling probe.

The New York paper first reported the story late Tuesday night and fallout began quickly in Alaska.

Citing several unnamed sources, the Journal reported that Alaska's sole representative is now under criminal investigation by the feds.

The Journal reports that Young's and Sen. Ted Stevens' ties to VECO Corp. are the target of the probe, which is focusing specifically on whether they took bribes and unreported gifts from the company.

Late Wednesday, Young's congressional and campaign offices had no comment.

Former U.S. Attorney for Alaska Wev Shea said the news is no surprise.

"Alaska has been so isolated and the arrogance of Don Young's statements on the House floor -- imagine what he's like behind the scenes," Shea said.

Shea is referring to last week's statements by Young accusing a fellow Republican of trying to take education money from Alaska.

"Apparently the students in New Jersey are trying to take money from Alaskan students," Young said on the floor.

Leslie Paige with Citizens Against Government Waste said the quote was telling.

"Wow. That is a little window into the psyche of several members of Congress, but particularly the members from Alaska, who have turned the U.S. Treasury into, like, a personal piggy bank. They think of it as 'their money' and it's not," Paige said. "It's the taxpayer's money."

The group said Alaska has been one of the nation's top pork barrel spenders for years, and it may now be catching up to Young and Stevens.

FBI - Stevens-1142

"The problem with pork is it's kind of like a favor factory. You get contributions, potentially from different people ... sometimes you funnel contracts back and it tends to happen ... In a lot of cases, we've seen it happen, there is potential for abuse," Paige said.

Paige said even with the investigation ongoing, it's up to Alaska taxpayers to decide whether the probe will hurt either man.

Shea said it might, but what is potentially career damaging for Young and Stevens, he said could be good for Alaska.

194-AN-13620-M,500

"Everybody says it's bad," Shea said. "I think it's great for Alaska. I think for too long there's been an arrogance of the 'good old boy's' power."

The news follows Young's reporting of a refund of \$38,000 in fundraising costs to former VECO executive Bill Allen. Those costs were apparently associated with Young's annual "pig roast" fundraising event. Young has repeatedly received the "pork king" award by government watchdog groups.

The Wall Street Journal reports that Allen and VECO have contributed more than \$150,000 to Young's campaigns in the last decade through the pig roast.

Late this spring, Allen admitted to, and was convicted of, bribing state lawmakers. However, Young was not among those publicly identified in the criminal case.

Contact Megan Baldino at mbaldino@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-1143

SEATTLE POST-INTELLIGENCER

http://seattlepi.nwsourc.com/connelly/325567_joel30.html

Political scandals thick as trees in Alaska

Last updated July 29, 2007 11:25 p.m. PT

By JOEL CONNELLY
P-I COLUMNIST

Threats and bluster are standard operating procedures for Alaska's seniority-laden Washington, D.C., delegation, and Rep. Don Young, R-Alaska, was in full cry earlier this month.

"There is always another day when those who bite will be killed, too, and I am very good at that," Young said. No kiddin'. He once waved an 18-inch-long oosik, the penis bone of a walrus, at the first woman to direct the U.S. Fish and Wildlife Service.

Young, the political architect of Alaska's "bridges to nowhere," was mad at a bid by Republican New Jersey Rep. Scott Garrett to cut one of his pet programs.

Not only did he go after Garrett, but Alaska's congressman went on to note that his opponent comes "from a state that doesn't have the greatest reputation in the world."

A few days later, The Wall Street Journal revealed that Young is under FBI investigation for his ties to VECO, the oil-field-services supplier whose president has pleaded guilty to paying off Alaska state legislators.

"Is two-thirds of the New Jersey congressional delegation currently being investigated by the FBI? Did New Jersey pols and lobbyists organize a Corrupt Bastards Club in the state capital? And get hats made?" the Alaska Ear column of the Anchorage Daily News asked.

Alaska has lately moved out in front of the Garden State when it comes to politicians for sale, for rent and ready to exchange favors.

The past year has seen a curtain pulled back on the crony capitalist insiders' network that has long run the 49th State, treating the "Great Land" as a grand treasure trove.

As usual, there's a key insider: In the 1970s, it was Jess Carr, the Teamsters Union leader whose local ran Alaska Pipeline construction with fists and featherbedding.

The go-to guy of recent times was VECO boss Bill Allen. VECO was the prime contractor in cleaning up Prince William Sound after the Exxon Valdez spill. VECO took in about \$800 million of \$2.5 billion spent by Exxon.

Allen got around, and got around the law.

By bugging VECO's suite at Juneau's Baranof Hotel, the FBI recorded vote-buying that resulted in Allen and deputy Rick Smith pleading guilty to extortion and bribery, plus corruption charges against one legislator and two former colleagues.

FBI - Stevens-1144

194A-A-13620-M;501

Between 2002 and 2006, VECO paid \$243,000 in consulting fees to the firm of state Senate President Ben Stevens, son of Alaska's U.S. Sen. Ted Stevens. What work the Stevens dauphin actually did is unclear. He has not -- yet -- been indicted.

Allen threw an annual fundraiser called "The Pig Roast" for Young each August. Young chaired the House Transportation Committee until Democrats won control of Congress.

Young received \$157,000 from VECO employees and its political committee over the past decade. He amended campaign-finance filings this year to report \$38,000 in payments to Allen for "fundraising costs."

And there is 83-year-old Ted Stevens, Alaska's senator for life. The FBI is investigating a 2000 project that more than doubled the size of his home in Girdwood, a ski town near Anchorage.

One contractor who worked on the house said he was told to send bills to VECO. He has said that someone in Allen's office examined the billing, then sent them to Stevens.

The Los Angeles Times did a 2004 study of "Uncle Ted's" personal finances. Stevens has become a millionaire by investing in partnerships with influential contractors. The same partners profited handsomely from spending items that Stevens put into the federal budget.

The Anchorage Daily News has regularly disclosed lucrative lobbying by former aides to Young and Stevens. An ex-Young staffer owns land near the terminus of a controversial proposed bridge. The family of former Gov. Frank Murkowski owns land on Gravina Island, destination of a planned bridge from Ketchikan.

Stevens, too, is given to threats. He vowed revenge on Sen. Maria Cantwell, D-Wash., after she blocked his backdoor bid to open the Arctic National Wildlife Refuge to oil and gas drilling.

In a final "predators' ball" of Alaska's elite, Stevens, Young and Allen headlined a fundraiser for Cantwell's GOP challenger Mike McGavick. McGavick ended up refunding \$14,700 from VECO executives when news of the FBI inquiry became public.

A new north wind is blowing.

It blew away Murkowski in last year's Republican primary. The winner -- now governor -- was Sarah Palin, who blew the whistle on ethical misconduct while chairing the Alaska Oil and Gas Conservation Commission.

Anchorage Mayor Mark Begich is being recruited by Democrats to run against Young. Young is also under scrutiny for favors done for Florida businessmen who were big campaign donors.

The state's junior Sen. Lisa Murkowski -- appointed by her father when he was governor -- dodged a bullet last week. Murkowski and her husband announced they were selling back a choice Kenai River lot to a friend and real estate developer.

The resale came after a D.C. watchdog group filed a complaint against Sen. Murkowski, charging she paid far below market value and that the land deal amounted to an illegal gift.

"While Verne and I intended to make this our family home, and we paid a fair price for this land, no

FBI - Stevens-1145

property is worth compromising the trust of the Alaska people," she said.

It's enough to bring tears to your eyes -- if you happen to be a crocodile.

P-I columnist Joel Connelly can be reached at 206-448-8160 or joelconnelly@seattlepi.com. Follow his political blog at blog.seattlepi.com/seattlepolitics.

© 1998-2007 *Seattle Post-Intelligencer*

FBI - Stevens-1146

« previous | MUCK HOME | next »



Rep. Don Young (R-AK)
(House Website)

Pig Roast Protesters Move On To Salmon Bake

By Laura McGann - August 13, 2007, 11:46 AM

Despite a boisterous crowd oinking and yelling outside his annual pig roast fundraiser last week, Rep. Don Young (R-AK) is holding a public event this afternoon in Anchorage. The same anti-Young crowd is expected to attend.

The state's only congressman will serve up baked salmon to anyone interested in stopping by, a move that made one local political

strategist cringe, according to an AP story.

The cringing is pretty reasonable, seeing that John Farleigh, the Alaska native who organized the last Young protest, is rounding up the troops for another assembly at the salmon bake. Farleigh left me a message last night saying he has already spoken with local media and has high hopes that the added pre-protest publicity will work in his favor.

If you're planning to snap photos at the event this afternoon, please send some our way!

Permalink | TOPICS: Don Young

ADVERTISEMENT:

FBI - Stevens-1147

198A-AN-13620-M;
502



TPM MUCKRAKER.COM

*They've got muck.
We've got rakes.*

« previous | MUCK HOME | next »



Rep. Don Young (R-AK)
(House Website)

Editorial: Youngs Earmark Stinks

By Laura McGann - August 14, 2007, 3:34 PM

Rep. Don Young's (R-AK) ethically and legally questionable \$10 million Coconut Road earmark doesn't smell right to the editorial board at the *Naples Daily News*, the paper that originally broke the story.

From the earmark's mysterious appearance in the 2005 transportation bill for the narrowly tailored project, to the revelation that the allocation came from a far-flung congressman, the editorial board didn't like what it saw.

Now comes the worst smell test failure. A study compiled by a retired veteran of congressional funding practices shows the earmark was changed to specify Coconut Road between the time an overall transportation bill was passed by Congress and later signed by President Bush. Editing solely for style rather than substance is supposed to take place at that stage.

As we reported last week, this is an extremely unusual case.

Permalink | TOPICS: Don Young

ADVERTISEMENT:

FBI - Stevens-1148

PKA-AN-13620-M;503



[return to the homepage](#) | [post a comment](#)

Comments:

First, please put an apostrophe in "Youngs."

Looking at the handy chart Josh posted on Talking Points Memo, it's clear that Alaska's senators and congressman have been very effective in taking care of their state.

I'd like to think that there would be general outrage in Alaska over the behavior and dealings revealed about these representatives, but the cynic in me sees voters in the "new state" thinking that if Stevens, Murkowski, and Young are taking a little off the top for themselves, that's just the cost of getting so much federal money.

We OUTSIDE the state are outraged. But what about the voters up THERE? Even if only a third of the money they've brought into Alaska goes to programs that help Alaskan residents instead of into the pockets of business cronies, they're still getting almost \$100 a person more than the next continental state.

Unless the Congress itself does something about these three wheeler-dealers, I don't see them getting voted out of office anytime soon.

Posted by: Roberta
Date: August 14, 2007 4:08 PM

FBI - Stevens-1149

The Officers of Veco are no longer happy . . .

Posted by: Richard L. Adlof
Date: August 14, 2007 9:58 PM

The people in Alaska are not happy either. We are tired of the arrogance, the lies, and the sense of entitlement that these skunks we elected have. Some of us have been tired of it for a long time.

I hope that we DO vote the thieves out. I also hope we don't replace them with more thieves. Unfortunately, with some politicians, the only thing you can be sure of is that they are lying - again.

Stevens - way past time to go. PLEASE retire. And take your son Benny with you. You have lost your effectiveness. Bully ways might have worked once, but most people see you as someone who should have retired. It will be time for ALL of us eventually. The trick is to leave before you get KICKED out and before you have lost all credibility.

Young - an embarrassment to ALL ALASKANS. He is a joke, and has been for years. He isn't 'direct', he is obnoxious. No loss if he loses. My cat could do a better job.

Murkowski - the jury is still out, but she can't help feeling 'entitled'; she learned it at her daddy's knee. And HE is about as ethically challenged as anyone we have ever had. I had high hopes for her.

Wish us luck in getting rid of the ethically challenged. Alaska deserves better.

Posted by: PalmerBuyer
Date: August 14, 2007 10:34 PM

Name: ☐ Remember personal info?
☐ Yes ☒ No

Email Address:

URL:

Comments:

FBI - Stevens-1150

Enter the code as it is shown below:

Security Code:



(This field helps prevent automated access.)

Alaska Report

"News and Information Since 1999"

Congratulations!

You have won our hourly prize. Click the "OK" button to claim it before time runs out.

OK

[Home](#) | [Photo Gallery](#) | [Weather](#) | [Reuters Videos](#) | [Links](#) | [Alaska Webcams](#) | [Alaska Jobs](#) | [?](#)



Alaska Photo Gallery
Pictures of the aurora, bears, birds, and more.



Hawaii from \$649



3 nights in a castle from \$834

Don Young picnic targeted by protesters

August 14, 2007

Anchorage, Alaska - Alaska congressman Don Young was heckled by protesters throughout a public picnic he held Monday afternoon in Anchorage.

Young is running for re-election and under multiple criminal investigations for bribery and corruption.

Young arrived about 2 1/2 hours late to his meet-and-greet salmon bake picnic held near the downtown area of Anchorage.

The congressman was heckled from the moment he showed up. About 50 protesters from around the park swarmed his tent and mercilessly shouted "FBI! FBI!" and "The cook is a crook!"

About half a dozen supporters of Young were at the picnic and tried to shout down the protesters. The supporters refused to give their names and hid their faces when a camera was pointed at them.



Near the end of the picnic, around 20 kids, egged on by one of Young's supporters, started picking up signs and joining the crowd. Most were screaming "Young is Bung." Nobody knew what it meant - including the kids - but it added some laughter to the festivities. The kids also shouted "The cook is a crook!", of which that is what was meant for Young.



VECO Corp., a company under investigation for bribing Young and other Alaska lawmakers, supplied one of the grills to his picnic, Young's aide said the grills were rentals and will be paid for by the campaign.

One of the few comments Young made was after a reporter asked him if he had done anything wrong. Young said "The Lord is with me."

© AlaskaReport News



Women's News
Ads by Google

Become Superman
Muscles like steel. Ultra power. Instant Super Strength. New Secrets
www.hikuta.net/classical-condition/

Ultimate Defense Products
Providing personal defense, Security Products & More!
www.ultimate-defense.com

Secrets of Self Defense
Learn how to stop any attacker. No previous training required.
www.SimpleSelfDefenceTactics.com

FBI - Stevens-1151

Ads by Google

Fear No Man

Discover What The
Martial Artists And
The Army Don't
Want You To Know
www.TopSecretTraining.co

Stop Living In

Fear
More Than 200
Products To Keep
YOU From
Becoming Another
Victim
www.bigkahunasecurity.co

Self Defense

Products
Self Defense
Products for
Everyone Everyday
Family Protection
RKCSelfDefense.com

Self Defense for

Women
Fast, Easy and
Effective Defenses
against common
attacks on women
www.Womens-SelfDefense.com

Recent Stories:

Alaska Republican Congressman Don Young in serious legal trouble

It would be irresponsible not to investigate Don Young and Ted Stevens

Don Young involved in shady land deal, Alaska Congressman helps Florida developer after fund raiser

Don Young's Former Aide Pleads Guilty To Corruption

Alaska Congressman Young probed by FBI in pay-off scheme

Don Young caught lying about debate over emissions bill

Ted Stevens and Don Young Fail to Provide 'Honest Services'

Don Young dances a jig while protesters scream "FBI!" at him.



Lookup
Number & Find Caller. (Free website reveals all!)
www.lookup.com

Background Checks
National, DMV & Sex Offender FCRA Compliant -
Online
www.backgroundchecks.com

Background Checks
Free Checks For Free! Quickly Find The Info You Need.
www.backgroundchecks.com

Background Screening
Criminal and driving records All 50 States and several
Countries
www.backgroundscreening.com

Ads by Google

All images, media, and

[Home](#) | [Advertise](#) | [Links](#) | [Weather](#) | [Contact Us](#)
Copyright © 1999 - 2007 AlaskaReport.com - Unless otherwise noted - All rights reserved [Privacy Policy](#)

FBI - Stevens-1152



Paper: Honolulu Advertiser, The (HI)

Title: ANALYSIS

Date: August 19, 2007

Senate 'tag team' staying two-fisted

Corruption probe of Alaska buddy could undercut Inouye

WASHINGTON - In a surprise tribute to Sen. Ted Stevens of Alaska in April, Senate Majority Leader Harry Reid of Nevada began with a momentary slip of the tongue. He addressed Sen. Daniel K. Inouye of Hawai'i instead of Stevens, an easy mix-up, he said, because the two men are so close.

"The relationship between Senator Inouye and Senator Stevens, when the history books are written, will be legendary," Reid said on the Senate floor. "They are friends, a Republican and a Democrat, who are like a couple of brothers."

Flowery words are routine in the Senate, where decorum and politeness, at least on the surface, still rule. But the relationship between Inouye and Stevens is exceptionally tight. It began in the late 1960s as a strategic alliance between two young senators who represented the nation's newest states, then grew into a genuine bond as they became masters at directing federal money back home.

With Stevens now under federal investigation in a public corruption probe in Alaska, their partnership, which has helped bring billions in federal money to Hawai'i over the past four decades, may be in peril.

Federal agents have searched Stevens' home in Girdwood, a resort town south of Anchorage, and federal grand juries in Washington and Anchorage are hearing testimony. A Stevens ally and campaign contributor - a former executive at an Alaska energy services company - pleaded guilty in May to bribery involving four Alaska state lawmakers, among them Stevens' son, Ben, a former state Senate president.

Stevens, who is up for re-election next year, has privately asked Republican senators to stand behind him and urged people in Alaska not to judge him until the investigation is completed.

Inouye said his friend has told him he did nothing wrong.

"That's what he assures me," Inouye said in an interview in his Honolulu office. "So far, the senators on both sides have been publicly very cordial and friendly. I don't see any change. They don't shy away like he was a leper."

Inouye, 82, and Stevens, 83, first banded together in the Senate out of necessity. But they found they had common backgrounds.

Both had been decorated for their Army service in World War II. Inouye won the Medal of Honor for his battlefield heroism in Italy, where he lost his right arm. Stevens was awarded the Distinguished Flying Cross as an Army Air Corps pilot in China, Burma and India.

FBI - Stevens-1153

They both were lawyers who had been active in territorial politics and were committed to statehood. And they both found they often had to explain and defend the needs of their states to Mainland senators who saw Alaska and Hawai'i as exotic and remote backwaters.

"We had the unbelievable chore of trying to convince our colleagues that we were part of the United States and worthy to be called Americans," Inouye recalled. "Ted and I were involved in this type of battle from day one."

POWER PLAYERS

Although they often disagree on national issues, their partnership for Alaska and Hawai'i has been unshakable, helping to insulate the states from losing out on federal money when political control of the Senate changes. Their seniority on the Senate Appropriations Committee, particularly its defense subcommittee, gives them an ability to steer federal money back home and the internal power necessary to get other senators to go along.

194A-AN-13620-m;505

On the Senate Commerce, Science and Transportation Committee, they are chairman and vice chairman, an unusual power-sharing agreement in an otherwise partisan environment.

They also have crossed party lines to help each other on Alaska's and Hawai'i's federal priorities: Inouye is one of the few Democrats to back oil drilling in the Arctic National Wildlife Refuge; Stevens is one of a handful of Republicans to support a Native Hawaiian federal recognition bill.

Their success over the years has made the pair often-revered figures back home as federal money helped create modern Alaska and Hawai'i.

In six of the past seven years, Citizens Against Government Waste has ranked Alaska and Hawai'i as the top two states per capita for federal money that is not part of presidential budget requests, or is not specifically authorized, or originates in one chamber of Congress, or serves only local or special interests. In 2006, for example, Alaska received \$325 million, or \$489.87 per person, in such spending, while Hawai'i received \$482 million, or \$378.29 per person.

The watchdog group derides the money as "pork," but Inouye and Stevens are proud of the rankings.

Inouye said that, in part because of Stevens, Hawai'i continued to do well when Democrats were in the minority.

"We didn't go down like other Democratic states because Ted Stevens would be the one to tell the other Republicans, give them a break, they need this," Inouye said. "And throughout good and bad times - and by that I mean Democrats in, Democrats out - these programs have been consistent."

Inouye and Stevens often travel on congressional delegations abroad and attend White House or Capitol Hill functions together. Over the past few days, Inouye has been with Stevens at events in Alaska, where he told people the state is fortunate to have Stevens.

PROUD PORK

Senate staff - and a few senators - have remarked on the personality differences between the reserved Hawai'i Democrat and the combustible Alaska Republican. At the tribute in April, which honored Stevens for becoming the longest-serving Republican in Senate history, Senate Minority Leader Mitch McConnell of Kentucky said he remembers asking himself when he first arrived in the Senate whether Stevens was ever in a good mood.

Winslow Wheeler, a former Senate aide now with the Center for Defense Information, which studies national security and defense policy, calls Inouye and Stevens "the tag team of defense pork."

Inouye is "much more even-tempered. He's much more gentlemanly. The style of his personality is completely different from Stevens. He's very reserved, stately and dignified," he said. "Stevens is a scrapper, an ill-tempered scrapper. The effect, however, is the same."

Wheeler wrote critical essays under the pen name Spartacus on what he considered wasteful spending in defense bills, before he was outed and forced to resign from his position as an aide to Sen. Pete Domenici, a New Mexico Republican. He said he recalls attending meetings with defense subcommittee staff before appropriations bill markups and hearing nearly identical statements from Inouye's or Stevens' staff, depending on who was in charge at the time.

"On earmarks, nobody got everything, nobody got nothing," Wheeler said he was told. "We did as well as we could, but remember, if your boss voted against our bill last year, don't expect much help from us." FBI - Stevens-1154

Steve Ellis, vice president of Taxpayers for Common Sense, an activist group critical of lawmakers' pet projects, known as "earmarks," said Stevens should step down from his powerful committee posts during the federal corruption investigation.

"That would do the whole country a service and it would also help increase the confidence of the public in the Congress," he said.

Inouye and Stevens have defended earmarks as one method of getting federal money for important state projects. Inouye likes to remind people that the East-West Center, for example, was an earmark. "I'm not embarrassed or ashamed by what they call earmarks," he said.

Stevens, according to the Anchorage Daily News, told an Alaska audience this month: "The money will simply go to other states for their needs and ours will go unmet."

But Ellis, who wants more transparency on earmarks, said Alaska and Hawai'i may be at a disadvantage over time by relying too much on Stevens and Inouye to deliver.

"We're not saying that Alaska or Hawai'i shouldn't get federal resources, by any stretch of the imagination. Certainly, I think that they, by being geographically dislocated from the Mainland, unfortunately sometimes they are forgotten or less thought about," Ellis said.

"But that's nothing you couldn't correct for in any kind of formula program or in a competitive award or a merit-based program for awarding funding. Someday, Senator Inouye isn't going to be in office, and neither is Senator Stevens. I would think that Alaska and Hawai'i would be much better served by having a merit-based system that would actually reward strong performing programs rather than having something based on political muscle."

CROSSING PARTY LINES

Ignoring party rules, Inouye and Stevens have contributed money to each other's campaigns. Alaska donors also have given money to Inouye, and a few Hawai'i donors have given money to Stevens, but mostly as tokens acknowledging the friendship, since neither Inouye nor Stevens has faced any serious political challenge.

In the 2004 election cycle, Inouye received \$34,700 from Alaska donors, according to the Center for Responsive Politics, which follows campaign spending. The donations include \$13,000 from executives or family members from VECO Corp., the Alaska energy services company whose executives were caught up in the federal corruption probe. Bill Allen and Richard Smith, former VECO executives who pleaded guilty to bribery, each donated \$2,000 to Inouye.

A VECO Corp. assistant told The Associated Press in a 2004 statement about the contributions that they were made because Inouye "is a friend of Ted Stevens and a friend of Alaska."

Another Anchorage businessman who donated money to Inouye, Ed Rasmuson, was more pointed, telling the AP: "You can't be dumb about it, this is Stevens' best friend in the Senate."

The Northern Lights Political Action Committee, Stevens' leadership PAC, gave Inouye \$10,000.

In Alaska, where Stevens is known affectionately as Uncle Ted and the airport in Anchorage is named in his honor, he had been expected to easily win re-election next year to another six-year term before news came of the corruption probe. He was first appointed to fill a Senate vacancy in 1968.

Carl Shepro, a political science professor at the University of Alaska-Anchorage, said political opponents will try to use the federal investigation to weaken him but that he remains popular. "I don't see, in all reality, unless there is a substantial charge levied and he's in court, I don't see that the support for him is going to diminish a whole bunch," he said. "I don't know if you can say he's beloved, but he's certainly viewed as a strong champion of Alaskan issues."

Stevens, speaking to Congressional Quarterly Today in May about his campaign, mentioned his friendship with Inouye as an influence. "I just don't think I'd contemplate running again if Dan wasn't here," he said. "One of (us is) going to leave, and other will hang up his shield."

Inouye would still have his seniority and his ties with other veteran Republican senators if Stevens leaves office or loses re-election. But Inouye has lost two lifelines over the past two years - his wife, Maggie, who died in March 2006, and longtime confidant Henry Giugni, who died in November 2005. He would dearly miss Stevens as his brother in the Senate.

FBI - Stevens-1155

"It will make life a little more challenging," Inouye said. "I'll be candid with you, I'd miss him."

Reach Derrick DePledge at ddepledge@honoluluadvertiser.com or 525-8070.

Pull-quote:

"We had the unbelievable chore of trying to convince our colleagues that we (Hawai'i and Alaska) were part of the United States and worthy to be called Americans. Ted and I were involved in this type of battle from day one."

SEN. DANIEL K. INOUE

Copyright (c) The Honolulu Advertiser. All rights reserved. Reproduced with the permission of Gannett Co., Inc. by

Author: DERRICK DePLEDGE

Section: Main

Page: 1A

Dateline: Hawaii , Alaska

Copyright (c) The Honolulu Advertiser. All rights reserved. Reproduced with the permission of Gannett Co., Inc. by NewsBank, inc.

FBI - Stevens-1156

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

August 26, 2007 Sunday
FINAL EDITION

Military's pollution a lingering war legacy; WORRIED VILLAGERS: Remote sites, dwindling funds threaten cleanups.

BYLINE: By JEANNETTE J. LEE The Associated Press

SECTION: MAIN; Pg. A1

LENGTH: 1150 words

For countless generations, Yupik Eskimos fished the Suqitughneq River on St. Lawrence Island. Though his grandfather once pulled salmon and trout from its waters, George Noongwook has never done so.

The Yupik whaling captain from the village of Savoonga is wary of lingering diesel and PCBs from a deserted Cold War surveillance site nearby. He believes they will make him sick.

"There hasn't been anyone fishing there in my lifetime because all the fish died," said Noongwook, 58. "They're back now, but everyone knows (the river) is contaminated so they go elsewhere."

The old Air Force base at Northeast Cape, 140 miles from the Russian mainland, is one of at least 640 contaminated military installations across Alaska dating from World War II and the Cold War. In all, they will cost at least \$1 billion to clean up, according to the U.S. Army Corps of Engineers.

Many of these decaying or downsized outposts are sullyng lands and waterways used as primary food sources by at least two dozen tiny communities. Thousands of rural Alaskans depend on wild plants and animals such as caribou, salmon and berries for subsistence.

Old barracks and radar stations from the Arctic coast to the Aleutian Islands contain now-banned materials such as asbestos and lead paint, according to state environmental records. Hidden landfills harbor unknown quantities of scrap metal and munitions. Diesel, PCBs, pesticides and heavy metals have seeped unchecked into soils and rivers.

LANDFILLS ARE LEAKING

Conflicting studies on any lingering health hazards worry many rural residents, who blame the sites for recent increases in cancer and other diseases.

A study in 2002 showed that Alaska Natives who hunt and fish near Northeast Cape have nearly 10 times as many PCBs in their blood as average Americans, but more research needs to be done, said Dr. David Carpenter, an environmental health professor at the University of Albany in New York who led the study.

In the meantime, residents of these isolated villages wait with varying degrees of patience as the years-long cleanups run their course.

At Cape Lisburne on the Chukchi Sea, a scaled-down Cold War radar site continues to leak contaminants onto prime hunting grounds inhabited by caribou, grizzlies and walrus, said Earl Kingik of Point Hope. Pollution from the site runs directly into the Chukchi, part of the Alaska National Maritime Park, according to the state's contaminated sites database.

"There was a cleanup several years ago, but we are not satisfied," said Kingik, co-chair of a community group that advises the military on cleanup. "The landfill is right on the drainage into the ocean."

FBI - Stevens-1157

The military receives congressional funding for cleanups nationwide through the Department of Defense's Environmental Restoration

Program, started in 1987.

In 2007, the U.S. Army Corps of Engineers received \$262.8 million for the cleanup of 9,000 former defense sites nationwide. Nearly 8 percent of that went to Alaska.

The state contains the third-highest number of formerly used defense sites in the nation, behind California and Florida, according to the corps, which is in charge of 600 sites in Alaska.

"The military has changed, technology has changed, the threat has changed. The decision to scale down is a combination of all kinds of things," said Tommie Baker, of the 611th Civil Engineer Squadron. The 611th is responsible for environmental restoration of about 40 Air Force sites in Alaska.

During World War II, Alaska became a transit hub for weapons and supplies sent to Russia under the Lend-Lease program. In 1942, the Japanese capture of Attu and Kiska in the Aleutian Islands also spurred speedy military buildup.

Radar and satellite stations sprang up along the northern and western coasts during the Cold War to watch for Soviet air attacks launched over the North Pole.

The military said it has been steadily clearing away the most conspicuous remnants of war, including barracks, radio towers, construction equipment and mounds of rusted oil drums.

"At Northeast Cape we have gotten rid of buildings and other visible impacts," said Carey Cossaboom, a project manager with the Army Corps of Engineers. "We're now moving to the leftover contamination in the ground, the nonvisible impacts, which are very real."

CLEANUP MONEY EBBS

Of 1,500 contaminated sites within the 640 installations, about 50 percent have reached sufficiently clean standards, according to Alaska's Department of Environmental Conservation. The agency oversees the cleanups and determines when they can stop, based on state regulations.

"They're required to clean to levels that are not considered an unacceptable risk," said John Halverson, an environmental program manager at the department. "It's not feasible to clean anything up to original background levels, but that means sometimes the landowners won't be happy."

A former Army installation at Moses Point, an important Inupiat Eskimo fishing site in western Alaska, was closed two years ago to further cleanup. Paul Nagaruk, former mayor of the nearby village of Elim, said the project was far from successful.

The village of 300 people has requested Alaska Community Action on Toxics to do additional testing and studies. The organization advocates for environmental health in communities.

"Our people welcomed the military, our men enlisted, they helped rescue downed planes and the Department of Defense has not taken into consideration the human health effects of these places," said Vi Waghiyi, coordinator of the environmental health and justice program for the nonprofit's Norton Sound Alaska Project. "The Army corps has not properly identified what is left and a lot of times the burden of proof is on communities."

State and federal officials say funding for cleanup on deserted military installations in the state is dwindling and the projects take years to research and execute.

The \$20 million allotted to the Army Corps of Engineers for Alaska in 2007 represents a steady annual decrease from 1998 when the corps received \$50 million.

Sites in Alaska generally cost more to clean up than in other states because of the logistics of traveling across vast stretches of roadless terrain and the short summer work season.

"You can only go by barge to Northeast Cape and you need to get in by mid-June and get out by September or risk being stuck all winter," said Kenneth Andraschko, the corps' acting program manager for formerly used defense sites in Alaska. "You're at the whim of Mother Nature."

St. Lawrence Island residents hope that one of these summers, the remnants of a 30-year-old, 180,000-gallon diesel spill will be removed from the Suqitugheq River. Then, just maybe, they will return to its banks to fish.

FBI - Stevens-1158

"You can smell it and you can see it," Noongwook said of the diesel. "Before the military came, the river was an important subsistence source, a great ecosystem."

LOAD-DATE: August 27, 2007

LANGUAGE: ENGLISH

GRAPHIC: ALASKA COMMUNITY ACTION ON TOXICS / Associated Press archive 1998

Above: Annie Alowa stands at an abandoned military defense site at Northeast Cape on St. Lawrence Island before the site was cleaned up. This old Air Force base, 140 miles from the Russian mainland, is one of at least 640 contaminated military installations dating from World War II and the Cold War scattered across Alaska.

AL GRILLO / The Associated Press

Left: A contaminated fuel tank sits at an abandoned military defense site in Nome.

DOCUMENT-TYPE: WIRE

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1159

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 28, 2007 Tuesday
FINAL EDITION

Corruption cases may be paired; TWO LAWMAKERS, ONE TRIAL: Judge's recommendation comes with hearings set to start Sept. 5.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 662 words

With their public corruption trial just over a week away, former state Reps. Pete Kott and Bruce Weyhrauch are maneuvering to throw out big chunks of the prosecution case.

Wiretap evidence. Secret video recordings. Statements by "unindicted co-conspirators," as the prosecution calls them.

Kott's and Weyhrauch's defense lawyers are filing court pleadings at a furious rate as the Sept. 5 trial date nears. Prosecutors, meanwhile, say at least part of the legal battle is too late.

On Monday, a magistrate judge issued a recommendation that the two former lawmakers be tried together.

Weyhrauch was trying to split his case apart from Kott's. His reasons weren't stated publicly because the argument, like many in the case, was filed "under seal." But in his 12-page recommendation Monday, Magistrate Judge John D. Roberts shed some light on the issues raised by Weyhrauch:

* Worries about a spillover effect, if the government has more evidence against Kott. Frequently, that's the situation with co-defendants, Roberts wrote.

"The argument that Weyhrauch never became intoxicated, used foul language or was given a hat with the letters "CBC" (corrupt bastard's club) may serve to distinguish him from the actions of his co-defendant in the jury's assessment of the case," Roberts said. Jurors should be able to separate the evidence against each, and the judge may give special instructions along those lines, he said.

* If the two men are tried together, Weyhrauch's defense lawyer believes the prosecution may try to prove there were multiple conspiracies, but Weyhrauch is accused of participating in only one.

Weyhrauch and Kott were indicted on a charge of conspiring with two Veco Co. executives, Bill Allen and Rick Smith, and others on the rate for a new state oil tax. Both Allen and Smith have since resigned. Veco is an oil field services company.

If evidence of multiple conspiracies is proven at trial, that could be harmful to Weyhrauch and make a conviction "vulnerable to attack on appeal," Roberts acknowledged. But until the trial happens, it's impossible to know whether that will be the case, he said in his recommendation.

U.S. District Court Judge John Sedwick ultimately will decide the issues.

Doug Pope, one of Weyhrauch's lawyers, said that despite Roberts' recommendation, his client's case still could be split apart from Kott's -- after the trial begins and evidence is admitted. That's usually how such matters play out, he said.

The deadline for motions was July 24. That's the same day prosecutors turned over to the defense 1,601 pages of materials used to

FBI - Stevens-1160

144A-AN-13620-M; 507

<http://www.lexisnexis.com.proxy.consortiumlibrary.org/us/lnacademic/delivery/PrintDoc.do?dnldFilePa...> 11/16/2007

support their search warrant application. There simply wasn't enough time to handle the volume of documents, Kott's lawyer, Jim Wendt, wrote in a court filing.

Judges can allow defense lawyers to make new arguments, even at this late date.

The reason the prosecution didn't provide the documents sooner? It's "because the materials disclose multiple ongoing, non-public investigations," according to a filing by prosecutors.

The details of the search warrant documents remain largely hidden from the public -- "under seal," to use the court term. Both sides have filed documents that way. Prosecutors said in one court document that they didn't want information about other suspects or investigations to become public.

Roberts ordered on Friday that no more documents in the case be filed under seal unless the lawyers first get permission from a judge. The order surprised the defense lawyers.

"He came in like a cowboy out of left field on that," Pope said.

Calls to prosecutors weren't returned Friday or Monday.

Weyhrauch, a Republican from Juneau, did not run in 2006. Kott, a former Republican House Speaker from Eagle River, was defeated in the 2006 primary and now lives in Juneau.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

SCANDAL: For past stories on Alaska politicians in trouble with the law or feeling the heat, go to

adn.com/corruption

LOAD-DATE: August 28, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kott
Weyhrauch

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1161

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/31/08 Time: 19:44

Case ID: 194A-AN-13620-M Serial: 508

Description of Document:

Type : NEWSPAPE
Date : 08/29/07
To : ANCHORAGE
From : ANCHORAGE DAILY NEWS
Topic: BOROUGH CHIEF LOOKS FOR HELP IN STEM CELLS; CANCER TREATMENT

Reason for Permanent Charge-Out:

FILED IN WRONG FILE

Employee:

b6
b7C

FBI - Stevens-1162

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 30, 2007 Thursday
FINAL EDITION**Kohring: Detention was illegal;
FBI RAID: He says he was not read his rights during questioning.**

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 769 words

Former state Rep. Vic Kohring claims that when FBI agents raided his legislative office a year ago, they illegally detained him and forced him to submit to hours of interrogation without ever reading him his rights.

Kohring was indicted on bribery, extortion and conspiracy charges in May. He is accused of selling his office to oil field services contractor Veco Corp. and resigned his Wasilla House seat in June. Trial is set for Oct. 22.

His lawyer, John Henry Browne of Seattle, is trying to suppress evidence seized in and statements made by Kohring during the Aug. 31, 2006, search.

New court filings told from Kohring's point of view are full of drama:

Around 11 a.m. that day, FBI agent Alan Vanderploeg called Kohring on his cell. He was with a friend, headed to Palmer to check out a pickup for use in his House race. The agent insisted they meet right away at Kohring's Wasilla office.

"Five armed FBI agents, who were already waiting there, created a quite intimidating scene," when Kohring arrived.

The agents said they had a warrant to search his office, but never produced it, according to Kohring's story. Instead, the court papers say, they pressured him to consent to a search so no warrant was needed and threatened to tell the media if he refused.

The FBI advised Kohring to send his aide home, which he says in a statement he later regretted.

"Then, while Kohring was isolated and segregated, the agents finally revealed that he was not only a witness, but also a suspect as well, and displayed a thick file folder with his name on it ostensibly containing incriminating information, though the agents never displayed its contents," says one of the court filings.

The FBI investigation dated to 2003, his lawyer wrote.

FBI - Stevens-1163

The agents told Kohring he wasn't under arrest, but made it clear he wasn't free to leave, Kohring claimed in his statement. In fact, they locked the front door to his office and wouldn't let him go to the bathroom or get a drink of water, his lawyer contends.

The totality of circumstances -- including a "police-dominated atmosphere" -- shows that he was in custody, yet he was never read his Miranda rights, Browne argued. No reasonable person would have felt free to leave, one of the motions says.

Kohring was able to phone a friend and attorney, Robert Hall. He contends the FBI pressured him to hang up before getting any useful advice.

Hall was so worried, he rushed to Kohring's office but the FBI wouldn't let him in, Hall says in a court filing.

"The agents persisted in searching and questioning in excess of two hours, during which Kohring was isolated in his locked offices while

194A-AN-13620-M-509
<http://www.lexisnexis.com.proxy.consortiumlibrary.org/us/lnacademic/delivery/PrintDoc.do?dnldFilePa...> 11/16/2007

his friend and personal attorney sat in hallway, barred from entry," one of the motion says.

Near the end of the interview, after agents told Kohring he was a suspect, "they threatened him with 20 years in prison if he did not answer incriminating questions in regards to his association with VECO corporation," Browne wrote. They termed it "the Martha Stewart question." The homemaking diva went to prison for lying to investigators.

The search ended after 2 p.m., according to Kohring.

Prosecutors and the FBI dispute Kohring's claims, said Joe Bottini, an assistant U.S. attorney. They will file their detailed response in court, he said.

Kohring himself told a different story the day of the search.

"I fully cooperated and answered all their questions," Kohring said in a written statement back in August 2006. "I was told that I am not a target of the investigation and was asked not to discuss details of the interview."

Kohring wants the judge to move the trial to Washington state because of all the publicity in Alaska. His trial could take place around the same time as a special session set to revisit the state's new oil tax. Gov. Sarah Palin called the session because she said the bribery cases taint the tax legislation passed in 2006.

Two other former representatives, Pete Kott and Bruce Weyhrauch, go to trial just before Kohring. Former Veco Corp. executives Bill Allen and Rick Smith are expected to be key witnesses. They already have pleaded guilty to bribery and conspiracy.

Browne also wants the government to reveal all promises made to Allen and Smith for their cooperation, as well as to two witnesses who testified earlier this summer against former Rep. Tom Anderson, who was convicted of bribery and other charges.

A hearing on the requests to suppress evidence is scheduled for Sept. 17.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

INVESTIGATIONS: For past stories and a timeline of events, go to

adn.com/corruption

LOAD-DATE: August 30, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kohring

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1164

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 4, 2007 Tuesday
FINAL EDITION

Prosecutors direct new allegations against Kott; UNLAWFUL GIFTS: Prosecutors say Kott started accepting benefits from Veco officials in 1999.

BYLINE: By RICHARD MAUER rmauer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 717 words

As federal prosecutors prepare to begin their case this week against two former state legislators, they have unveiled new allegations that one, Rep. Pete Kott, had been taking unlawful gifts and benefits from Veco officials since 1999.

Kott, a former House speaker who ran a flooring business on the side, stored equipment from 1999 to 2006 at a warehouse owned by the oil-field service company, the government said in a recently unsealed motion. The government also alleged that Kott received \$12,000 in equipment from Veco or its former chairman, Bill Allen, in 2002, and that Allen gave him \$5,000 in 2004. The next year, Kott took possession of tools and other items that Veco bought in a charity auction, prosecutors said.

Those alleged actions were in addition to conduct charged in the seven-count indictment returned by a federal grand jury in Anchorage in May against Kott, an Eagle River Republican, and former Rep. Bruce Weyhrauch, a Juneau Republican. Most of the alleged illegal activity in the indictment took place between September 2005 and August 2006.

Both men have pleaded not guilty to bribery, extortion, fraud and conspiracy. Their trial begins Wednesday in Anchorage before U.S. District Judge John Sedwick.

In the days leading up to the trial, the two defendants have also been firing back at the government, challenging some of the legal theories of the prosecutors. They are disputing the government's assertions that the two men had a duty to disclose they were seeking work from Veco or Bill Allen at the same time they were voting on issues affecting Veco.

Kott also asked the judge to prevent the government from bringing up alleged prior "bad acts" that weren't specifically charged in the indictment.

Allen and former Veco vice president Rick Smith are expected to be key government witnesses. They have pleaded guilty to bribing legislators and hope to get their sentences reduced by cooperating with the authorities.

FBI - Stevens-1165

In disclosing that they intended to bring up Kott's earlier conduct to the jury, government prosecutors said they expected Allen and Smith to testify "to the general scheme to provide Kott with things of value in exchange for securing Kott's agreement to take officials acts to benefit Allen, Smith and Veco."

In one instance, Kott's attorneys said in a court filing last week that Kott was only joking when he asked Veco for help in getting him a job at a prison the company was building in Barbados.

"These Barbados comments are made in jest, and that intent is clear from the context of the conversations, which involved drinking and joking," they said.

And Kott's talk of working as a lobbyist for Veco -- a discussion he held while still in office -- were "off-hand, brief, and are absolutely devoid of any details or even specific requests to be Veco's lobbyist or a specific promise to be hired as Veco's lobbyist," his lawyers said.

Weyhrauch, a lawyer, is accused of selling his votes for a 2006 oil-industry-tax bill in return for a promise of legal work after the regular legislative session. The government said Weyhrauch should have disclosed his negotiations for work with Allen and Smith.

But Weyhrauch's attorneys said he had no duty to disclose under state law or House rules.

Kott's lawyers said as much and asserted that it's the normal House practice to require members to vote even if they have a conflict of interest. That negates the need for disclosure, they said.

Government lawyers said that position is nonsense.

"Each member of the Alaska State Legislature has an inherent duty to the public of the State of Alaska to conduct their dealings free of conflicts of interest," prosecutors said in a memorandum filed Saturday. "The existence of this duty is intrinsic to a public official's obligation to conduct his or her affairs free of improper influences." State law requires legislators to not only avoid conflicts of interest, but even the appearance of a conflict, they wrote.

Weyhrauch appeared to understand that duty, the prosecutors said, because he disclosed other conflicts even if he failed to disclose his job solicitation from Veco.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

INSIDE

LAWMAKER ON TAPE: Recordings by the FBI used to convict former legislator Tom Anderson.

Page B-2

LOAD-DATE: September 4, 2007

LANGUAGE: ENGLISH

GRAPHIC: CHRIS MILLER / The Associated Press

Former Eagle River lawmaker Pete Kott is led out of court following his arraignment in Juneau last spring. Kott and Bruce Weyhrauch of Juneau have pleaded not guilty to federal charges.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1166

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 31, 2007 Friday
FINAL EDITION

Craig opposed Stevens' investigation; 'GESTAPO-LIKE': Idaho senator blasted the FBI on same day he pleaded guilty to lewd conduct.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 616 words

DATELINE: WASHINGTON -

In the days following a high-profile FBI raid on the home of Alaska Sen. Ted Stevens, Idaho Sen. Larry Craig was among the sharpest defenders of his embattled Alaska colleague.

In comments to reporters in the Capitol on Aug. 1, the Idaho senator criticized the FBI for "Gestapo-like" tactics and expressed sympathy for the position Stevens found himself in.

"I think some people say, 'Ah, there but for the grace of God go I,' " Craig told the Capitol Hill newspaper, the Politico.

Since news broke Monday of Craig's June 11 arrest for lewd conduct in a men's restroom of the Minneapolis airport, the three-term Republican senator has been increasingly under pressure to resign his seat. Top Republicans, including President Bush, have expressed their disappointment in him, and some fellow GOP senators have called for him to step down.

In his Aug. 1 comments about his Alaska colleague, Craig went on to say that he was disturbed by the idea of an FBI raid on the home of a sitting U.S. senator, and he criticized federal agents for using a locksmith to break into the home when Stevens had reportedly offered them a key. Craig said he thought it was "gamesmanship" done for the benefit of television cameras.

"That makes senators very, very angry when they attempt to cooperate when ... they are caught in these webs and yet they are denied that for the sake of the judiciary's publicity," Craig said, according to Politico.

He added, "it would be very intimidating if I was under investigation and handed the FBI a key, and then TV cameras and newspeople (showed up). That is very intimidating."

What makes Craig's comments striking is their timing - especially with the perspective of hindsight. They came Aug. 1, the same day he signed and dated a plea agreement saying he was guilty of disorderly conduct for making sexual advances to an undercover police officer in a Minneapolis airport bathroom. The plea was dropped into the mail and filed with court officials Aug. 8.

Craig's office did not return phone calls or e-mails Thursday requesting clarification of his Aug. 1 remarks.

Craig, who has long stood with Stevens in support of drilling in the Arctic National Wildlife Refuge, was one of the few Republicans to be openly supportive of -- and sympathetic to -- the Alaska senator. Sen. Trent Lott, R-Miss., offered support for the Senate's longest-serving Republican, but Senate Minority Leader Mitch McConnell, R-Ky., took a more measured, cautious approach when asked how he would handle the fallout from the Stevens raid.

In all the noise surrounding the raid on Stevens' home, Craig's comments were largely ignored. However, they were picked up by Fox News, and Stevens' fellow Alaskan in the Senate, Lisa Murkowski, also questioned the timing of the raid.

FBI - Stevens-1167

<http://www.lexisnexis.com.proxy.consortiumlibrary.org/us/lnacademic/delivery/PrintDoc.do?dnldFilePa...> 11/16/2007

194A-AN-13620-M;511

Thursday, Murkowski echoed other Republicans who have called Craig's arrest and guilty plea a disappointment. But Murkowski, in Alaska with Education Secretary Margaret Spellings, stopped short of calling for Craig's resignation, and said she thought it was appropriate that the matter be handled by the Senate Ethics committee. Craig campaigned for her in 2004 in Alaska.

"The fact that he pled guilty to a crime causes me great concern," Murkowski said. "I'm really just sick about this news."

Stevens, who has refused to address questions about his own investigation, has been silent on Craig's situation. Thursday, as he was traveling in remote western Alaska near Shishmaref, he told The Associated Press that he had spoken to his attorneys about it, "and they advise I make no comments about any investigations right now."

Daily News reporter Megan Holland in Anchorage contributed to this report.

LOAD-DATE: August 31, 2007

LANGUAGE: ENGLISH

GRAPHIC: Sen. Larry Craig, R-Idaho

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1168



Paper: Anchorage Daily News (AK)

Title: Palin foresees positive changes in Alaska politics -

PART ONE OF THREE

Q&A

Date: September 2, 2007

On Aug. 22, 2006, Sarah Palin shocked the Republican Party establishment with a crushing primary victory over incumbent Gov. Frank Murkowski and former state Sen. John Binkley. She went on to win the governor's race in November by a comfortable margin and, according to polls, has grown even more popular with Alaskans during her first year in office.

A year after that primary victory, Gov. Palin sat down with Daily News reporter Tom Kizzia to talk about some of the biggest issues of her first nine months in office, including the ongoing federal corruption investigation and next month's special session to reconsider the state's new oil tax.

Featured today: Her thoughts on the political corruption investigation and the changes to the system she says will be necessary to chart a different course for the state. The governor's comments have been lightly edited for space and repetition. The complete audio is available on adn.com.

ADN: How do you feel about how the FBI investigations are going now? You had a lot to say in May when the indictments came out. Now the investigation is veering toward the congressional delegation and could affect how Alaska does business. ... Does that make you uneasy?

PALIN: I am not scared of the changes that I believe are inevitable in terms of leadership that has represented the state of Alaska for all of these years because the change is inevitable.

Whether the FBI reveals something that leads to change, or just the changes in power in Congress ... or individuals maybe choosing not to run for re-election, age even of our politicians playing a part in this, change is coming to Alaska.

So I am not afraid of that and I don't want Alaskans to be afraid of what is coming. ... There are many positives that are going to result from change if we are in the right mind-set. ...

My interpretation of it is that Alaska has got to change its image. ... We need to be taken seriously so that we are given more credence and more authority here and we are provided more opportunities to develop our state. The only way that we are going to be able to gain the trust of the rest of the United States ... is to prove that we can do things right and honestly and transparently and Sen. Stevens knows that has been my message.

ADN: Transparency in government. Are you talking about self-sufficiency as well?

PALIN: I go back again to remembering when we became a state where we struck the deals with the federal government as we asked to be let into the union and the promise on our part was that we would be as self-sufficient as possible.

We wouldn't solely be reliant on the federal government to pay our bills, to provide services and build our projects here, and we become self-sufficient by developing our resources because we are so wealthy in terms of the resource that we have here, but into -- a large part here, we are not allowed to develop those resources and I think a lot of that has to do with others who are making decisions for us, looking at us like, 'We don't believe that their oversight is going to be strong enough for the environment.'

Now, of course, they are saying, 'We believe that there is corruption up there, so we can't trust Alaska to know how to do the right thing.' All of these things that are kind of elements right now in play, we have to be more responsible and more sensible than ever. This state government, our administration, has to prove to the rest of the United States that we can do things right.

ADN: Well, talk about dependence on the federal government, I think a lot of Alaskans have probably asked themselves why these investigations had to be carried out by the federal Justice Department.

PALIN: Yes.

FBI - Stevens-1169

194A-AN-13620-M;512

ADN: Is the state capable of policing political corruption here or is it too tied up in its own system? Can voters have any confidence that any future transgressions can be handled by the state?

PALIN: That's a great question, and I am one of those who had asked why did it take the feds to come in here over the last couple of years and start digging into the issues that had been speculated about and rumored about?

Why couldn't the state police each other? Why couldn't the Legislature and legislators police one another? Why couldn't APOC (the Alaska Public Offices Commission) -- why didn't they have an investigator? All these tools that we are missing in the state's toolbox to clean up what was rumored to be corruption and undue influence, and I still don't have the answer as to why it was that the state had to rely on the feds again to come in and clean things up. But what we have done to change that though, with APOC, we funded them an investigator.

They need to have one with oversight of the oil industry. We just funded a five million-dollar new office, the PSIO office (Petroleum Systems Integrity Office) where we will have an integrity office overseeing the regulatory environment, even, of oil and gas development in the state. ...

We are going to put our money where our mouth is that we are going to be able to prove that our commitment is to do things right.

ADN: Is the investigator going to do it for APOC? Or does more change need to be made there in the election supervision?

PALIN: Well, an investigator is a good first step. Greater communication with APOC will be able to tell us what else is missing. And then those things that make sense to this administration to add to the toolbox.

We have got to go above and beyond with oversight. We have to make sure that the public is going to be able to trust that state government is making decisions in the people's best interest and we have got a lot of ground to make up.

ADN: Payoffs to legislators goes beyond just campaign finance investigations. That takes some serious digging for the Department of Law or the State Troopers or whomever. It would go beyond APOC.

PALIN: Well, right, and that obviously is why the FBI and Department of Justice, other entities with much greater resources than any state agency, had to come in. But also, I think the FBI's role in this and Department of Justice is an indication that the problems are greater than just maybe a local legislator pocketing a few thousand dollars to change a vote on something.

Evidently, it is more serious than what has been revealed thus far. Of course, not being privy to all of the information, I can't prejudge what any kind of outcome is going to be when more of the trials begin and I can't assume that the period of indictments is over. I think that there will probably be more.

ADN: In May, Attorney General (Talis) Colberg said the state was going to pursue its own investigation of things related, issues related to those Veco confessions. Is that still going ahead?

PALIN: Well, to the degree that we cannot step on the FBI's toes or get in the way of their investigation, our focus has been on what kind of undue influence was either impacting or coming from the administration? They are the ones who proposed the new oil tax regime, remember? And nobody is really asking well, what did Jim Clark (Murkowski's chief of staff) have to do with this? What did Murkowski have to do with all of this?

It's been our role and some of my assistants' roles who were here before to start getting in there and figuring out what was the motivation behind these proposals to change an oil tax. That is still being gathered. ... FBI - Stevens-1170

ADN: Have the feds been looking at the previous administration's motives?

PALIN: I can't tell. We can't tell.

ADN: You can't say or you can't ...

PALIN: I can't prove that they have been doing that, except that they have conducted some interviews. They have interviewed, for instance, Joe Balash, my assistant on the oil and gas issues and Joe had been working for a legislator in the past and it sounds to me like the questions may have had to do with what was the administration's role. But that's something that we, you know, again, I am not privy to and we haven't heard or seen publicly what aspect of the administration's past actions are being questioned.

ADN: Some Alaskans have, you know, defended Ted Stevens and Lisa Murkowski in particular, saying it is only natural in a small state for a politician to have prominent friends and even enter business relations with them. What do you think? Where should public figures, political figures draw the line?

PALIN: Well, maybe that is commonplace in a former smaller world of politicians in Alaska, but that is not commonplace in my world to be presented, you know, maybe amazing or even outlandish investment opportunities that turn us into rich individuals. ...

I am not buddies with Bob Penney. I don't go to that Kenai classic fishery thing, you know, I don't go hunting and fishing with Bill Allen. That's not my world. So my perspective is, I guess this new leadership team, we wouldn't be tempted to become part of that world because that is not where we came from. I'm not enticed at all or excited about the idea of hooking up with some of the characters in the past that now are in trouble.

ADN: Do you think if they had adhered to a brighter line that they could have avoided some of this trouble?

PALIN: I think everyone has that individual and personal ethical compass within and I think that maybe in the past, some individuals, their compass was way off kilter and decisions were made based on a real skewed idea of what ethical activity would be. I am not claiming holier than thou and I am not saying that the people who I hire and surround myself with, that any of us are perfect.

All of us make mistakes ... but as long as I am confident that moral compass is right on target and we are not going to be tempted to do anything for self gain then I think that is what is going to best for the progress that we need here in Alaska. I can't say that was the case in the past in Alaskan politics. Obviously it wasn't or we wouldn't have high-ranking CEOs pleading guilty to bribery.

ADN: But I think you are also talking about the activities in the gray area -- the business relationships with, you know, a senator or congressman or a state legislator. Between someone with interests in the public process and the people running the public process.

PALIN: Right. Well, that's why I think we need more real and normal and hardworking and blue-collar Alaskans to want to run for office and serve in these positions that are making decisions.

Again, I will personalize this. I am not from that other world. My dad as a school teacher wasn't a mover and shaker developer making big bucks in the state of Alaska off of property development. My husband isn't that way. I am not raising my kids to be that way.

... If you want to be in public service, it is being willing to serve Alaskans for the right reasons. It is having to have a servant's heart when you come into these positions. It's not to get rich.

TOMORROW: Palin on the Petroleum Profits Tax and the oil industry.

Contact reporter Tom Kizzia at tkizzia@adn.com.

ONLINE: Hear audio excerpts of the interview with the governor and see an audio slide show.

PART ONE OF THREE

SLOPE job: Palin's views on her husband's return to work.

FBI - Stevens-1171

Back Page

TOMORROW: Palin on the Petroleum Profits Tax and the oil industry.

Question and answer

Caption:

Photos by STEPHEN NOWERS / Anchorage Daily News

Gov. Sarah Palin speaks in a recent interview in her office in downtown Anchorage. The bearskin rug on the sofa is a grizzly shot in the Denali Highway country by her father.

Caption:

Photo 6: palin_9_090207.jpg

Graphic 1: QandA_090207.eps

Graphic 2: slideshowIcon_090207.eps

Graphic 3: 30 promo palin_090207.eps ,

Graphic 4: palin_3_090207.eps

Graphic 5: palin_5_090207.eps

Copyright (c) 2007, Anchorage Daily News

Author: Tom Kizzia Anchorage Daily News Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-1172

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 4, 2007 Tuesday
FINAL EDITION

Released Anderson sting tapes unveil the federal case; 'YOU WANT VOTES': Lawmaker knew lobbyist sought more than newsletter.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B2

LENGTH: 506 words

More than a month after former state Rep. Tom Anderson was found guilty of bribery and other corruption charges, the prosecution has released the secretly recorded conversations used to convict him.

A federal jury convicted Anderson, an Anchorage Republican, on July 9 of bribery, extortion, money laundering and conspiracy. Several jurors said afterward that Anderson's own words were the strongest evidence against him.

The Daily News and KTUU Channel 2 sought copies of the recordings and other exhibits during the trial but didn't get them at that time. The news organizations then went to court. Negotiations began with prosecutors. The records were released Aug. 23.

The recordings were made by the FBI. A government witness, former Cornell Cos. consultant Frank Prewitt, wore a wire. The recordings, along with witness testimony, gave jurors a picture of a scheme in which Anderson took bribes to do Cornell's bidding. The plan was for a Cornell Cos. lobbyist, Bill Bobrick, to create a sham political newsletter or Web site that would be used to funnel money to Anderson.

Anderson's sentencing is scheduled for Oct. 2.

Here's a quick guide to some of the key conversations:

JULY 21, 2004

Audio recording. Bobrick and Prewitt meet at Southside Bistro in Anchorage to discuss how to get money to Anderson. In exchange, Anderson would "be our boy in Juneau," Bobrick tells Prewitt.

JULY 28

Video of meeting at the Whale's Tale in the Hotel Captain Cook among Anderson, Prewitt and Bobrick. Anderson's hands are in view. When asked about his credentials to do work for Cornell, the first thing he mentions is that he is a legislator. Jurors asked for the recording to be replayed during their deliberations.

NOV. 16

FBI - Stevens-1173

Video recording of meeting between Anderson and Prewitt in Anderson's legislative office in Anchorage. Anderson acknowledges to Prewitt that he knows Cornell really isn't interested in a political newsletter. "You want votes in the Legislature, I would assume," Anderson says. He also says he doesn't want to split the next payment with Bobrick. They discuss Anderson testifying the next day at a public hearing on a juvenile treatment center that Cornell needed state approval to open.

DEC. 21

Video recording of meeting between Anderson and Prewitt at the Whale's Tale. Prewitt brings two checks, one made out to Anderson's consulting firm directly. "That is perfect," Anderson says.

FEB. 16, 2005

Video recording of a dinner at the Baranof Hotel in Juneau that includes Prewitt, Anderson and then-state Rep. Lesil McGuire. At the time, McGuire and Anderson were dating. They since have married, and McGuire has been elected to the state Senate. McGuire tells Prewitt, "Don't forget, I'm going to stay right up on you boys" to make sure Cornell offers rehabilitation. At one point, McGuire is distracted by a side conversation. Anderson takes the opportunity to tell Prewitt that McGuire doesn't know about his relationship with Cornell.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

LOAD-DATE: September 4, 2007

LANGUAGE: ENGLISH

GRAPHIC: Anderson

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1174

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 5, 2007 Wednesday
FINAL EDITION**GOP divides ethics cases of senators;
DAMAGE CONTROL: Craig's case called unlike Stevens', Vitter's.**

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 420 words

DATELINE: WASHINGTON -

Responding to criticism that GOP senators who've found themselves in trouble this summer have been treated very differently by their peers, the Republican leader of the U.S. Senate outlined why he thinks each should get a "case-by-case" treatment.

U.S. Sen. Larry Craig pleaded guilty after a sex sting in a men's airport bathroom, effectively ending any questions of guilt or innocence, said Sen. Mitch McConnell, the Senate minority leader. Sen. David Vitter, R-La., hasn't been charged with a crime, and wasn't in the Senate when he telephoned the so-called D.C. Madam, McConnell said.

And as far as Sen. Ted Stevens is concerned, McConnell said, the long-serving Alaska Republican "maintains his innocence" in connection with the July 30 raid on his home in Girdwood.

"This had to do with admission of responsibility as opposed to charges or suggestions," McConnell said, in his first remarks about Craig's ouster since the Idaho Republican announced Saturday he would step down.

Eager to avoid being tagged as the party with the most ethical problems, Republicans acted quickly last week to encourage Craig to resign. Yet many have questioned why Stevens -- who is under investigation but hasn't been charged with any crime -- has not faced any official rebuke by his peers.

"There's a substantial difference between a conclusion to a matter and allegations that are being denied or behavior that occurred before you ever came to the Senate," McConnell said.

McConnell did not mention any of the senators by name, but it was clear which ones he was talking about during a press conference Tuesday to outline his party's agenda following Congress's summer recess.

Stevens continued his policy of avoiding any comment connected to the investigation or the raid on his home.

"We're not going to comment at all on Sen. McConnell's press conference," said spokesman Steve Wackowski.

Federal investigators and grand juries in Anchorage and Washington, D.C., have been seeking information about renovations to Stevens' Girdwood home. The project more than doubled the size of the house and was overseen by oil services company Veco Corp. CEO Bill Allen. In May, Allen pleaded guilty to bribing state lawmakers and agreed to cooperate with authorities in further corruption probes. Veco vice president Richard Smith has also pleaded guilty to identical charges. Allen and Smith resigned from Veco.

The FBI also is investigating the National Science Foundation's award of \$170 million in contracts to the company.

LOAD-DATE: September 5, 2007

FBI - Stevens-1175

194A-AN-13620-m; 514

<http://www.lexisnexis.com.proxy.consortiumlibrary.org/us/lnacademic/delivery/PrintDoc.do?dnldFilePa...> 11/16/2007

LANGUAGE: ENGLISH

GRAPHIC: Stevens

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1176

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 6, 2007 Thursday
FINAL EDITION

Corruption trials divided; Kott's hearing continues, but Weyhrauch's stalls on federal appeal

BYLINE: By RICHARD MAUER and LISA DEMER Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1034 words

A federal judge Wednesday ordered separate trials for two former Republican legislators to allow jury selection for one to move forward while the government appeals an earlier ruling favoring the other.

The decision on the one-time co-defendants means the bribery, extortion, fraud and conspiracy case against Pete Kott, the former House speaker, will go ahead with opening arguments scheduled for Monday. Jury selection started at midmorning Wednesday and will continue today.

But the trial of Bruce Weyhrauch, a former representative from Juneau, will await the outcome of the government's bid to the 9th U.S. Circuit Court of Appeals in San Francisco, and perhaps longer. Weyhrauch's attorney, Doug Pope, said he'd try to take the case to the U.S. Supreme Court if the 9th Circuit reverses the decision in Anchorage.

U.S. District Judge John Sedwick made his ruling on separating the trials in a hastily called hearing that began at 8 a.m. Wednesday, just before jury selection was to begin. With more than 80 potential jurors from around Southcentral Alaska cloistered in a meeting room across the lobby and down a hall, Nicholas Marsh, a trial attorney from the Justice Department's Public Integrity Section, told Sedwick that his superiors in Washington agreed that an appeal of an earlier ruling was justified.

They are challenging a ruling by Sedwick on Tuesday that said the government couldn't present evidence that Weyhrauch and Kott were duty-bound to report they were seeking employment with Veco, the politically active oil-field service company, in 2006, when they were voting on oil-tax legislation heavily lobbied by Veco's chair, Bill Allen. Sedwick held that state law had no such requirement.

In the Wednesday morning hearing, Marsh told Sedwick the government still had ample evidence against Kott and was prepared to go to trial. But for Weyhrauch, a lawyer who never landed the Veco job, the evidence is crucial, Marsh said.

At issue is whether Weyhrauch used mail fraud to cheat Alaskans of honest services as a state legislator. Pope said Weyhrauch did nothing wrong in sending a personal advertisement for legal services to Veco.

With the trial set to begin, expenses for lawyers and the court adding up, and potential jurors cooling their heels, Marsh proposed that Sedwick revisit a request made in August by Weyhrauch's attorneys to split the trial. At the time, Pope argued that the stronger evidence against Kott could prejudice the jury against his client. The government opposed the motion then, and the judge kept the defendants together.

But now, Pope told Sedwick, the situation has changed. He was fully prepared to go to trial. It would be an undue financial and emotional burden on Weyhrauch and his family to delay any longer. He argued the government's points of appeal were thin and unlikely to succeed.

But Sedwick said federal appeals courts around the country were split on the disclosure issue, while the all-important 9th Circuit, governing courts in Alaska, "hasn't spoken." Sedwick said he followed a line of reasoning adopted by the 5th Circuit in New Orleans.

Jim Wendt, Kott's attorney, opposed the split, mainly because he had prepared a case theory and line of questioning for witnesses based on having a co-defendant. The government agreed to delay opening arguments until Monday, and promised to tell him by Friday whether Allen and former Veco vice president Rick Smith would be called to testify and to reveal the approximate place in the trial they would take the stand.

FBI - Stevens-1177

<http://www.lexisnexis.com.proxy.consortiumlibrary.org/us/lnacademic/delivery/PrintDoc.do?dnldFilePa...> 11/16/2007

194A-AN-13620-m;515

Following a 90-minute recess to review the law and rulings in related cases, Sedwick called the parties back to his courtroom and announced he would split up the co-defendants so the government could pursue the appeal. He said the government clearly had that right.

After packing up boxes of documents on a cart and clearing the courthouse, Pope stopped to talk with reporters and expressed outrage at the government. He said prosecutors realized late in the pretrial phase that their case was weak and responded by inventing a new case theory that relied on an improper application of federal law.

He said Weyhrauch's day in court may be delayed for more than a year by the appeal.

Marsh said it would be inappropriate to comment on Pope's out-of-court criticism.

Back in the courtroom, potential jurors began filing in to be questioned about their knowledge of the now-smaller case. The lawyers on both sides introduced themselves, and so did Kott, who represented Eagle River in the House.

"I'm Pete Kott, and I'm the defendant in the case," he said, smiling at the packed room of jurors.

Most of those with strong opinions already had been weeded out through written questionnaires.

Sedwick, and sometimes the lawyers, asked detailed questions of about half those remaining on Wednesday to determine whether any were too biased to be fair jurors or had other reasons not to serve.

One had just landed her first full-time job in a year, so she was allowed to go home. A couple of people had medical issues. One is leaving Alaska this month. Another is married to a former contract manager at BP and socialized with Allen. All left the courtroom.

Some were close calls. One man told the judge he thought he could be fair "for the most part." When Sedwick pressed him, he said part of him struggled with the politics of oil in Alaska. The judge sent him home.

While a number of the prospective jurors had a general idea that the matter before them was a bribery case, some said they didn't pay attention to politics. Others followed the political corruption cases closely. Some told the judge they were most interested in trouble faced by U.S. Sen. Ted Stevens and his son, former state Senate President Ben Stevens. Neither has been charged with a crime, but Ben Stevens is accused of being part of a conspiracy that included Kott, Weyhrauch, Allen and Smith.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

ONLINE: Read transcripts of conversations between Kott and ex-Veco executives. The documents contain coarse language. Also, check out video and audio surveillance evidence from the trial of former Rep. Tom Anderson.

adn.com/corruption

LOAD-DATE: September 6, 2007

LANGUAGE: ENGLISH

GRAPHIC: BILL ROTH / Anchorage Daily News

Former Rep. Pete Kott, center, flanked by attorneys, leaves the coffee shop in the Federal Building and U.S. Courthouse in Anchorage during a pause in his corruption trial on Wednesday. The bribery, extortion, fraud and conspiracy case against Kott, the former House speaker, will go ahead with opening arguments scheduled now for Monday.

Former Rep. Bruce Weyhrauch was accompanied by his wife, LuAnn, in the Federal Building and U.S. Courthouse in Anchorage on Wednesday. His lawyer said Weyhrauch's day in court may be delayed for more than a year by the appeal.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 7, 2007 Friday
FINAL EDITION**Palin oil tax gets cold shoulder;
PPT: No special session needed, says the resource association head.**

BYLINE: The Associated Press

SECTION: ALASKA; Pg. B1

LENGTH: 459 words

DATELINE: FAIRBANKS -

The head of the Alaska Oil and Gas Association presented Gov. Sarah Palin with a long list of concerns regarding her new oil tax proposal.

Marilyn Crockett said this week that the proposal could decrease investment in the state by raising the tax burden on companies.

Crockett also said it would replace a tax that isn't broken and has not yet had a chance to work.

"The industry does not want to have a special session," she told members of the Alaska Support Industry Alliance at a luncheon in Fairbanks.

Other members of the oil and gas association, which include Exxon Mobil, BP and Conoco Phillips, also expressed their reservations about Palin's proposal.

"We agree with the governor's approach to stay with a PPT-based tax structure; however, we are concerned that the tax rates proposed will make every single project look less attractive for us to reinvest," Kevin Mitchell, vice president of finance and administration for Conoco Phillips, wrote in an e-mail to the Fairbanks Daily News-Miner.

Palin this week restated her intention to call a special legislative session next month to revisit the oil production tax passed last summer. She also presented an outline for a new tax that would increase the tax rate.

Palin said the current petroleum profits tax, or PPT, "isn't working as promised."

Revenue Commissioner Pat Galvin has said that revenues from the PPT will likely come in a little short of expectations in the fiscal year that just ended and very short of expectations next year.

FBI - Stevens-1179

Instead of bringing in an additional \$1 billion over the old tax system, the PPT will likely bring in about \$250 million more in fiscal year 2008, according to department figures.

Crockett pointed to fiscal year 2007, in which the new tax is expected to add about \$1 billion in state revenues over the old tax.

"Is PPT working? I would say that it is," she said.

Galvin said Wednesday that cost increases faced by the companies explain the reduced revenue estimates.

Capital costs are now expected to be about 50 percent higher in fiscal year 2007 than was thought when the PPT was passed, and about 100 percent higher in fiscal year 2008, he said.

The PPT allows companies to deduct operating and capital costs and receive credits on certain capital costs.

Crockett encouraged the state to look at how to encourage companies to invest in the state and keep production levels up, ensuring future tax revenues as well as revenues from royalties and property and corporate taxes.

"What we need to be focusing on is keeping that pipeline full," she said.

Oil production has dropped from a peak of more than 2 million barrels a day to less than 800,000 barrels a day, she said, and maintaining production levels will require significant new investment.

LOAD-DATE: September 7, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: WIRE

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1180

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 8, 2007 Saturday
FINAL EDITION

Picking a jury is art, not science; KOTT: Certain qualities sought in jurors for ex-lawmaker's trial.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 722 words

When lawyers picked a jury on Friday to hear the public corruption trial of former state Rep. Pete Kott, they really were deciding who they didn't want on the case.

That's the way it is in jury selection. Prosecutors and defense lawyers rule out who they don't want in a process that's more art than science. At the end of the process, the ones left decide guilt or innocence. To hear Kott's case, U.S. District Judge John Sedwick swore in a jury of 10 women and two men, plus four alternates, just before noon, then sent them home for the weekend.

Those picked include a custodian at Stevens International Airport, a refinery worker from the Kenai Peninsula, and a recent high school graduate who works at Title Wave Books in Anchorage. There's a nurse and a retired teacher; a state health program manager and a state right of way agent.

Eight of the 12 regular jurors live in Anchorage. One is from Eagle River, which Kott represented in the Legislature. One is from Nikiski, another from Kenai. The last is from Kodiak and has a talk show on public radio there.

When it came to excluding potential jurors, prosecutors bumped six, including a Teamster's clerk and an Anchorage real estate agent. The defense didn't want an IRS agent or a former federal biologist, two of the 11 it struck from the pool.

The federal prosecutors trying the case wouldn't talk about how they made their picks.

Defense lawyer Jim Wendt said he was looking for jurors who seemed open as they answered questions posed by Sedwick and the lawyers.

Jury selection stretched over three days. Much of the time was spent questioning jurors one by one on whether they had been influenced by extensive publicity about the corruption investigation.

Many lawyers say that who is on the jury matters immensely.

FBI - Stevens-1181

Lawyers must try to figure out what potential jurors are really like, based on very little information. They may pick people based on basic categories such as gender, job, education or age. Some go through great efforts -- polling the community or hiring body language experts. But in the end, jurors aren't easy to predict.

"Except at the outer fringes, I really think that people are more complicated and more layered and more like onions than we tend to assume," said Jeff Feldman, an Anchorage criminal defense lawyer who has picked hundreds of jurors over more than three decades.

He remembers one juror who scowled at him throughout the trial, but ended up voting his client's way.

"The more I've done it, the less I know about how it really happens," Feldman said.

What most lawyers do, whether they know it or not, is look for jurors who trigger a certain feeling. "I smile at you, who don't give a bad

vibe," he said.

As prospective jurors in the Kott case filed into theater-like rows of chairs, the lawyers studied their faces.

"We're looking for people that we like. We're looking for people that we don't have to prod to answer questions," Wendt said during a break in the selection process earlier this week. But, he said, he wasn't looking for any particular type in terms of age, gender or background.

Dan Hickey, a former chief prosecutor for the state, said prosecutors want people used to making decisions, people who seem conservative. Business people are good.

Defense lawyers look for people more understanding of human nature. High school teachers especially are thought of as being good because they put up with so much, said Hickey, who led the team that prosecuted two state senators in the 1980s on corruption charges.

The prosecution also wants a strong leader or two, someone who can guide the others through the evidence during deliberations. But not more. "That's a recipe for a hung jury," Hickey said.

Kott is accused of taking bribes from and conspiring with executives of oil field services company Veco Corp. Prosecutors accuse him of pushing a version of a new oil tax favored by Veco through the Legislature.

Opening arguments in the federal case will take place Monday morning.

Among the expected government witnesses: former Veco chief executive Bill Allen and vice president Rick Smith. Based on a rough schedule provided by prosecutors, Wendt said he anticipates Smith taking the stand Wednesday at the earliest, and Allen to follow.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

LOAD-DATE: September 11, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1182

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 8, 2007 Saturday
FINAL EDITION

Oil firm Veco is history; SIGN COMES DOWN: Company was linked to corruption probe.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

FBI - Stevens-1183

LENGTH: 742 words

Colorado-based CH2M Hill on Friday took over scandal-ridden Veco Corp., the Anchorage oil field services and construction company whose former executives pleaded guilty this spring to bribing state legislators.

CH2M Hill decided not to keep the name Veco for what is now a part of the Colorado firm's energy systems group, and cranes removed Veco signs from the company's East 36th Avenue offices Friday afternoon.

The former Veco businesses will generally operate under the CH2M Hill name.

"It's a new day, a new future," said CH2M Hill spokesman John Corsi.

Veco had been one of the largest companies in Alaska with about 2,000 employees in the state and a similar number in operations that span the globe.

Corsi said the purchase includes all core operations, people and projects from the former Veco. CH2M Hill said it did not have a breakdown Friday on what was not included in the sale. But Corsi described the assets left on the table as minimal.

"The short answer is essentially all the operational assets are coming, such as the North Slope, Kenai Peninsula, the fabrication shops, Calgary, Bellingham and so on," Corsi said in an e-mail. "There are some non-core businesses that aren't included. However, the last couple days have been so busy getting the deal done, I just don't have those details right now."

Corsi said the Veco assets were valued at \$463 million. The final tally of the sale will come in at slightly less than that, he said.

One former Veco operation not part of the sale is the Voice of the Times, the Web site successor to the conservative half-page editorial section that appeared in the Daily News for 15 years. The site will continue as part of a holding company owned by the Allen family but hopes to become a financially self-sufficient operation, according to Voice of the Times editor Tom Brennan.

Veco's former chief executive Bill Allen and former vice president Rick Smith pleaded guilty to federal conspiracy and bribery in the ongoing political corruption investigation in Alaska. Allen, who helped build Veco starting in 1969, admitted to bribing state lawmakers for their votes or influence on legislation important to the oil industry.

Tammy Kerrigan, Allen's daughter, took over as Veco chairwoman in May after her father pleaded guilty and stepped down from his corporate posts.

"The Allen family is pleased that Veco's legacy of hard work, client service and professional excellence will continue with this acquisition," Kerrigan said in a news release. She is leaving the company. Garry Higdem, a CH2M Hill executive, will lead the former Veco.

CH2M Hill, based in the Denver suburb of Englewood, is an employee-owned company. It has about 19,000 workers engaged in engineering, construction, transportation and environmental services projects around the world. Projects include managing expansion of the Panama Canal and venue construction for the 2012 London Olympic games. The company had revenues of about \$4.5 billion last year.

Corsi said buying Veco fits in with his company's strategic plan by making it a bigger global player in energy industries. He said CH2M Hill has long been interested in Veco.

"The people are great, the reputation is great, they have an outstanding track record for client service," he said.

He said CH2M Hill will keep the former Veco's operations going pretty much as they have been. There are no shake-ups in management or elsewhere in the company planned, Corsi said.

Veco is heavily involved in oil field services and construction on the North Slope, and also has projects in the Lower 48, Canada, Barbados, Russia's Sakhalin Island and the Middle East. The company had annual revenue reaching \$1 billion, according to Veco executives.

BP, which operates Prudhoe Bay, is one of Veco's major customers.

"They do a good job supporting oil production and we're looking forward to continuing our strong relationship," said Daren Beaudou, a spokesman for BP Alaska.

Corsi said Veco's existing contracts are expected to continue under CH2M Hill. That includes a contract with the National Science Foundation to provide logistics and support for polar research. The FBI is investigating the award of that contract and is looking into connections between Veco and U.S. Sen. Ted Stevens. Then-Veco chief executive Allen in 2000 oversaw renovations to Stevens' Girdwood home, the scene of a July 30 FBI raid.

Find Sean Cockerham online at adn.com/contact/scockerham

LOAD-DATE: September 11, 2007

LANGUAGE: ENGLISH

GRAPHIC: Photos by MARC LESTER / Anchorage Daily News

A Veco sign is removed by a crew from Glacier Sign and Lighting from the building at 949 E. 36th Ave. on Friday afternoon. CH2M Hill announced Friday that its acquisition of Veco was finalized.

A crowd gathers outside the former Veco building to watch the Veco signs being removed Friday.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1184

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

September 11, 2007 Tuesday
FINAL EDITION

FBI - Stevens-1185

**Bribe trial features Kott calls;
TESTIMONY BEGINS: Public betrayed, prosecutor says; defense touts pipeline effort.**

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1214 words

In a series of secretly recorded telephone calls, former state Rep. Pete Kott joked with Veco executives about drinking and women, but assured them he was serious about one thing: getting a gas pipeline.

"I'm going to get this f-----g gas line done so I can get out of here," Kott told former Veco chief executive Bill Allen in a Jan. 10, 2006, cell phone conversation.

Testimony began Monday in Kott's public corruption trial.

Jurors heard recordings of nine telephone calls and watched one videotaped meeting between Allen and former Veco vice president Rick Smith.

In his opening statement, prosecutor Nicholas Marsh told jurors that Kott betrayed the public trust and sold his legislative office to oil field services company Veco. In return for money and job promises, he pushed an oil tax favored by the industry.

Kott even says on one of the tapes, "I sold my soul to the devil," Marsh said.

Kott's own words will be used against him, Marsh said. It's the same tactic prosecutors used to convict former Rep. Tom Anderson in July of seven federal corruption charges.

But the defense told jurors the government twisted the facts. Kott was just a blue collar Republican working hard to get what most Alaskans wanted, a gas pipeline, said Jim Wendt, one of Kott's defense lawyers.

There's nothing illegal about working with lobbyists or others toward a shared goal, and that's all Kott was doing, Wendt said. "If he is guilty of anything, he is guilty of working to get a pipeline."

Marsh warned jurors they would hear "downright offensive" language. But Wendt said it was just "down-to-earth talk."

An FBI agent from Cincinnati, Steve Dunphy, who monitored and recorded some of the action in Suite 604 of Juneau's Baranof hotel, testified all afternoon about various recordings. Dunphy said he volunteered after a request for help with the Alaska investigation went out agencywide.

The listening began with a wiretap on Smith's cell phone in September 2005 and branched out from there to wiretaps on Allen's cell and home phones, and then the bug planted in the Baranof suite, Dunphy testified.

In various phone calls played for the jury, Kott's familiarity with Allen and Smith is remarkable. He calls them Uncle Bill and Uncle Rick. He sounds tipsy at times. Several times, Kott brings up the idea of working as warden at a prison in Barbados that Veco was building.

"I just wanna be a warden," Kott tells Smith in a Sept. 29, 2005, telephone call.

Wendt told jurors in his opening statement that the Barbados prison gig was a running joke with Kott, that he had heard about topless women on beaches there. But Marsh told jurors that even if Kott was kidding about the warden's post, he clearly wanted a job with Veco when his work in the Legislature was done.

As the 2006 legislative session got under way, Kott fretted to Allen on the phone that things weren't going well and Allen needed to get to Juneau.

Allen made it clear that he thought little of House Speaker John Harris, who won the post in 2005 after Kott was ousted in an internal coup.

"About the only ones that I can trust is you and ol' Ben Stevens," Allen tells Kott in a Jan. 10, 2006 call. Stevens is the former state Senate president. He hasn't been charged.

In one lengthy call between Allen and Smith on Feb. 20, 2006, Allen goes on a tirade about Veco's new young lobbyist, Kris Knauss. Allen was angry that Knauss was using Allen's own well-cultivated influence with Kott as if it were his own, turning it to his advantage with Gov. Frank Murkowski's chief of staff, Jim Clark.

"Well f---, I put more money into Pete Kott than he's ever even thought about," Allen sputtered at one point.

In a March 4, 2006, videotaped conversation in Suite 604, Allen and Smith said they would do whatever they needed to get the pipeline and an oil tax favored by the industry through the Legislature. Smith said they may need to "get dirty."

The room is dimly lit and it's hard to make out their faces. But their voices are clear.

"They got dirty and they crossed the line," Marsh told jurors.

Later in the conversation -- in a part not played in court but discussed by lawyers and the judge -- the topic turned to a faltering effort at the time to sell Veco to an Australian firm. Allen was upset because former Veco president Pete Leathard had apparently boasted to the Australians that Veco was in the business of bribing state legislators.

U.S. District Judge John Sedwick agreed with prosecutors that only a portion of the conversation needed to be played for jurors.

In the same conversation, Allen told Smith that Veco's clients need to know what it's doing in Juneau to pressure legislators. He refers to "the big wheels" with BP and Exxon and more.

The case against Kott is the first to go to trial involving Veco, a company that was hugely influential in Juneau for many years. Allen and Smith have both pleaded guilty to bribery and other charges and resigned their positions with Veco.

As of Friday, Veco no longer exists. It's been sold to the Colorado-based engineering firm CH2M Hill.

Kott, a former house speaker from Eagle River who served 14 years in the Legislature, is being tried on charges of bribery, conspiracy, extortion and wire fraud.

Several dozen people gathered in the federal courtroom for opening statements, including defense lawyers, prosecutors, FBI agents and news reporters, but the crowd cleared out by the afternoon. Whistleblower Ray Metcalfe stayed.

FBI - Stevens-1186

Marsh told jurors that Kott, who ran a hardwood flooring business, is accused of accepting money or things of value three times from Veco executives, plus the promise of a job. The specific accusations, as laid out by Marsh:

* Kott, in need of cash during his 2006 campaign, sent Allen a fake bill for an extra \$7,993 in flooring work.

* Veco paid \$2,750 for a political poll by David Dittman to see how Kott was faring with voters during the campaign. Kott lost in the primary.

* Kott accepted \$1,000 from Allen to reimburse Kott for a contribution he made to then-Gov. Frank Murkowski's re-election bid.

All of that is misconstrued or overblown, Wendt told jurors. Kott received no personal benefit from any of it, the defense lawyer said. He didn't even know about the poll beforehand.

The only thing Kott did wrong was accept the \$1,000, but that was just to reimburse him for the contribution, Wendt said.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

AUDIO: Listen to the opening statements from Kott's trial at

adn.com/corruption

The trial of former Eagle River Rep. Pete Kott is part of a broad investigation into public corruption focused on state and federal officials, lobbyists and others. The investigation is being led by the FBI and Department of Justice and has resulted in charges against four former state legislators, two former executives of the Veco Corp., and a lobbyist for a private prison company.

Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco executives for supporting an oil tax measure favored by the petroleum industry.

For more on the corruption investigation, including an interactive timeline and overview, go online to adn.com/news/politics/fbi.

The Alaska political corruption investigation

LOAD-DATE: September 11, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kott

BILL ROTH / Anchorage Daily News

Former House Speaker Pete Kott, left, arrives at the Federal Building and U.S. Courthouse on Monday morning with daughter Pamela Kott on the first day of his trial for bribery, extortion, fraud and conspiracy.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1187

[<<Back](#)



Anderson wants sentencing delayed

by Jason Moore
Wednesday, Sept. 12, 2007

ANCHORAGE, Alaska -- Former lawmaker Tom Anderson, already convicted on bribery and corruption charges, wants to change the day he gets sentenced.

Anderson says he wants his wife, Sen. Lesil McGuire, to be there.

She plans to be out of the country during the first part of October and then in Juneau in time for the start of the special session on the state's oil tax rate.

Anderson wants his sentencing pushed back about two weeks from its Oct. 2 date in order to accommodate her schedule.



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-1188

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 12, 2007 Wednesday
FINAL EDITION

FBI - Stevens-1189

**Marrs calls suit misguided;
TRIAL: John Ellsworth is accused of misusing millions of dollars.****BYLINE:** By ELIZABETH BLUEMINK ebluemink@adn.com**SECTION:** ALASKA; Pg. B1**LENGTH:** 818 words

The former chief executive of Cook Inlet Region Inc. took the witness stand in state court this week to defend an Anchorage contractor accused of illegally taking \$40 million from the Native corporation.

Carl Marrs, the former CIRI executive, is a key defense witness for the contractor, John Ellsworth, targeted in the lawsuit filed by the new leaders who took over CIRI, along with its business partner, Nabors Industries of Houston.

Marrs and Ellsworth worked on business deals for about a decade and along the way became close friends -- sharing gifts, drinks and vacations. Ellsworth was his best man at his wedding in 2002, Marrs testified.

The lawsuit against Ellsworth, which lumbered into its seventh week on Monday, has been a costly priority for CIRI's leaders. The Anchorage-based corporation spent more than \$2 million just to audit Ellsworth's financial transactions.

CIRI launched the lawsuit -- and some other house-cleaning projects -- after a new set of directors took charge of the company in 2004. Among other things, the new board has demanded a tight rein on lavish spending and risky investments.

The lawsuit, filed in 2005, may even have broader implications beyond CIRI and Nabors' alleged financial losses.

Late last year, federal prosecutors -- simultaneously involved in a political corruption investigation of Alaska politicians -- subpoenaed some of the evidence collected against Ellsworth.

On Monday and Tuesday, plaintiff and defense attorneys quizzed Marrs about his own conduct at CIRI, and his relationship with Ellsworth.

Marrs testified that the lawsuit is misguided, saying that Ellsworth was a reliable business partner and a trusted friend.

But CIRI and Nabors say Ellsworth took millions of dollars he did not deserve, violated corporate agreements and shredded evidence at the construction company they hired him to run, Alaska Interstate Construction.

Ellsworth is countersuing for millions. Among other things, he wants CIRI and Nabors to fork over the money compensating him for his ownership stake in AIC. He's also seeking punitive damages.

CIRI and Nabors each had a 40 percent stake in AIC. When he was ousted in 2005, Ellsworth had a 20 percent stake in AIC -- worth nearly \$12 million, according to his attorneys.

Confronted with evidence that Ellsworth overbilled AIC for corporate jet expenses, Marrs told the jury that the charges -- paid to Ellsworth's own company, which leased jets and other equipment -- didn't seem excessive to him.

Ellsworth was given the freedom from CIRI and Nabors to manage AIC "as he saw fit," and as a result, made millions for the two companies, Marrs said. Under Ellsworth, AIC was one of CIRI's most profitable investments, he said.

An audit by CIRI and Nabors alleges about \$40 million in overbilled jet expenses, lost profits from an abandoned Exxon Mobil project in Russia, lost contracts due to illegal competition by Ellsworth after he was terminated, undeserved bonuses, personal credit card charges and other inappropriate costs billed to AIC.

Under cross-examination, Marrs said he never read AIC's business contracts or even its operating agreement -- the basic document that set out how AIC would be governed, and which he himself signed. Sometimes, Marrs testified, he changed contracts by oral agreement with Ellsworth but never put the changes in writing, as the contracts themselves required.

Marrs trusted Ellsworth not to hide anything from him, and still does, he testified.

But on Monday and Tuesday, Tim Petumenos, an attorney for CIRI and Nabors, questioned Marrs' loyalty to CIRI. The attorney pointed out that Marrs was supposed to ensure that Ellsworth complied with his duties at AIC.

"I never even perceived the situation that we are in right now," Marrs testified.

"I've always been loyal to CIRI," he added later.

Though he said he hasn't read CIRI and Nabors' audit, Marrs told jurors that he believes that Ellsworth's expensive leases for corporate jets were justified.

Other items -- such as a company-paid ticket to the Superbowl for Randy Pugh, the father of one of Sen. Lisa Murkowski's former staffers -- were legitimate business expenses, he said.

He testified repeatedly that such expenses -- including trips on corporate jets for Sen. Ted Stevens, R-Alaska, and Murkowski, plus AIC-paid trips by Stevens and other politicians, friends and family to a Bristol Bay fishing lodge -- were justified because they help build important relationships.

"You've got to have those relationships to deal in business. It's not just about going out and bidding on contracts. ... You do have to wine and dine people," Marrs said.

After a news query this year about Stevens' stays at the lodge -- a possible Senate ethics breach -- the senator sent checks to CIRI for his 2001 and 2003 expenses at the lodge.

Find Elizabeth Bluemink online at adn.com/contact/ebluemink or call 257-4317.

LOAD-DATE: September 12, 2007

LANGUAGE: ENGLISH

GRAPHIC: Photos by BILL ROTH / Anchorage Daily News

Former CIRI chief executive Carl Marrs testified Monday that he gave free rein to ousted Alaska Interstate Construction executive John Ellsworth to run AIC as he saw fit; new Native corporation leaders say Ellsworth threw away \$40 million on extravagance and improper expenses.

Defendant John Ellsworth, left, listens to his attorney Paul Stockler as he questions former CIRI chief executive Carl Marrs on Monday.

Defense attorney Joseph Sheehan is seated at right.

Anchorage Superior Court Judge Sen Tan presides over the \$40 million lawsuit CIRI and partner Nabors Industries of Houston are pursuing against contractor John Ellsworth.

DOCUMENT-TYPE: Staff

FBI - Stevens-1190

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

September 13, 2007 Thursday
FINAL EDITION

Allen counted on friend; He testifies that he gave money, favors to oil-tax ally in Juneau

BYLINE: By RICHARD MAUER and LISA DEMER Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1266 words

More than a year after he emerged as the central figure in the Alaska corruption investigation, former Veco chairman Bill Allen at last took the witness stand Wednesday in the trial of former House speaker Pete Kott and began recounting his version of the last three decades of oil politics.

Along the way Allen, the government's chief witness, told of the money, jobs and favors he dispensed to Kott, a man he described as a friend and reliable ally but who could wind up in prison on Allen's testimony.

As word of Allen's impending visit to the courtroom got around town at lunchtime, the federal courtroom of U.S. District Judge John Sedwick began to fill, eventually drawing more than 60 people. Some were lawyers or paralegals working for other potential defendants or witnesses. The back row held gray-haired remnants of the liberal Democrats who flexed so much power in Juneau in the 1970s before oil-friendly Republicans made them largely irrelevant, while up front sat a conservative talk show host who fought Veco's efforts a few years back to pay for government out of the Permanent Fund. Other spectators just wanted a glimpse of history.

But the real business of the day was what Allen told the jury about Kott, a 14-year veteran of the state House from Eagle River. Allen and one of his vice presidents, Rick Smith, pleaded guilty to bribery and conspiracy and are hoping to get reduced sentences by cooperating with federal authorities.

Over nearly three hours of testimony that will resume this morning, Allen talked about overpaying a flooring job done by Kott by more than \$7,000 and of scheming to get at least some of that money to Kott's son so that he could work on Kott's 2006 campaign, when a poll showed he was in surprising trouble. Even the poll itself was secretly paid for by Veco, which if true would be a hidden -- and illegal -- campaign contribution by the company to Kott.

"Why were you trying to get money to Pete Kott for his son's help in the campaign?" asked assistant U.S. Attorney James Goeke.

"He was going to run again and he needed his son to help him," Allen said.

"What would his son be doing otherwise?" asked Goeke.

FBI - Stevens-1191

"A job," Allen said. "He can do the floors as good as Pete."

"So back on July 31, 2006, do you know if Mr. Kott was going to be able to go to work on the campaign and do other work?" continued Goeke.

"He couldn't afford it," said Allen. "He has a family to take care of."

Before announcing he would run again, Kott had been making noises about retiring and had talked with Allen about work. Some of those conversations were recorded by the FBI.

In one such, on June 1, 2006, Kott joked with Allen that he wanted to be warden of the prison Veco was building in Barbados, "especially

with all the women there on the beach. He said he'd do anything, even pass out beach towels.

Allen testified that he knew Kott was joking about that. But Kott also said on the recording that he wanted to be a lobbyist.

"For Veco?" Goeke asked in court Wednesday.

"Yes," Allen answered.

Veco lobbyists made \$6,000 to \$12,000 a month, Allen testified. And he would have hired Kott, he said.

But even as he provided the evidence about Kott, and along the way implicated his own company and its executives in an illegal campaign contribution scam, Allen never once acknowledged that a specific action by him or Kott broke the law.

While Allen, 70, has never been shy about appearing at public events and private fundraisers over the last quarter century as his political power grew, he has only rarely engaged in public speaking. His speech has been impaired since 2001 when, riding without a helmet, he crashed his motorcycle. On the witness stand, he said about a quarter of the part of his brain that controls speech died after the accident, and, like some stroke victims, he has trouble picking out words. He also has trouble hearing, and a court headset he wore while testifying proved balky at times.

At one point, he started to describe what the oil companies wanted most out of Juneau, then had to pause.

"Wait, I got to find this word," he said. He closed his eyes, put his head in his hands and worked something over in his mind for what seemed a small eternity while the courtroom, in silence, waited for him to speak.

"Certainty!" he finally exclaimed. "They wanted certainty." In other words, they wanted to be sure that taxes would not be raised before they would agree to build a natural gas pipeline, the thrust of the efforts on the so-called PPT -- petroleum profits tax -- that tied the 2006 Legislature in knots.

Allen took the industry lead in promoting a low profits tax -- a much bigger effort than the producers themselves were making. FBI-intercepted telephone calls and conversations at a hotel suite in Juneau show that Kott and Senate President Ben Stevens were his two most helpful soldiers.

In one conversation from June 8, 2006, played while Allen was on the stand, he recalled a discussion he had with the head of Conoco Phillips in Alaska, Jim Bowles, about the profits tax.

"I said between Pete Kott and Ben ... they won't have, they won't even have their fingerprints on the (bill)." It seemed Allen was referring to the "fingerprints" of the producers, but his remarks were ambiguous enough that they could have been those of Stevens and Kott.

As the tapes were played, Allen testified he had no idea that his phones were taped or that a secret camera had been placed in his hotel suite in Juneau by the FBI under a court order.

"If I knew that, I wouldn't have said all this stuff," Allen said, drawing smiles from the jury and chuckles around the courtroom. He learned he was the target of the Justice Department's Public Integrity Section on Aug. 30, 2006 -- a day before the FBI executed a series of raids on legislative offices.

Allen emerged as one of the industry's biggest promoters in the 1980s, when Veco began a long run as a reliable source of campaign contributions, mainly for Republicans. At the time, Allen testified, his main political hand was the former state senator and trooper head Ed Dankworth, sometimes referred to as the "21st Senator" for his efforts at organizing the Senate into blocs long after he left the body.

Allen said he and Dankworth had a thorough falling-out after he bought the Anchorage Times in 1989. One of his biggest financial supporters in his journalism venture was Chuck Robinson, the long-time executive of the telephone company ACS, Allen said. Dankworth lobbied for ACS' chief rival, GCI, and Dankworth refused Allen's pleas to switch.

"If you can't do that, Dankworth, I don't want you to be with me," Allen recalled telling his onetime friend.

Allen was born in Socorro, N.M., and left for Oregon with his family shortly after World War II, when he was 8 or 9. He missed several years of school while his family followed the fruit crops.

"We were pickers, I guess."

FBI - Stevens-1192

He quit school for good as a high school sophomore, then learned to weld, a skill that brought him to Alaska in 1968. With another oil field worker named Wayne Velti, who founded VE Construction, he worked the Cook Inlet rigs for Arco, eventually taking over the company and shortening its name. In the last few years, it had annual sales of \$1 billion and 4,000 employees worldwide, about half in Alaska, he said. Last week, the company was taken over by CH2M Hill.

Find Richard Mauer at adn.com/contact/rmauer or call 257-4345. Find Lisa Demer at adn.com/contact/ldemer or 257-4390.

ONLINE AUDIO: Listen to surveillance recordings submitted as evidence in the Pete Kott trial at adn.com/fbi

LOAD-DATE: September 13, 2007

LANGUAGE: ENGLISH

GRAPHIC: BILL ROTH / Anchorage Daily News

Ex-Veco chief Bill Allen walks outside the federal building courtroom during Pete Kott's trial Wednesday, where he spent the better part of three hours outlining his working relationship with the then-state representative.

AL GRILLO / The Associated Press

Former Alaska state House Speaker Pete Kott, right, walks through the federal court building past a row of green lights in Anchorage on Wednesday with his daughter, Pam Kott.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1193

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 14, 2007 Friday
FINAL EDITION

Kott trial defense emerges;
BILL ALLEN: Ex-Veco chief says he bribed the defendant, Kohring and Ben Stevens.

BYLINE: By LISA DEMER and SEAN COCKERHAM Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1217 words

For much of Thursday at Pete Kott's corruption trial, defense lawyer Jim Wendt tried to chip away at the story being told from the witness chair by former Veco chief executive Bill Allen.

Kott, a Republican and former House speaker from Eagle River, is accused of pushing new oil tax legislation on behalf of Veco that was also favored by North Slope oil producers. In exchange, prosecutors say he got nearly \$9,000, a political poll and the promise of a job.

Wendt kept pushing to get him to say Allen's promise of a job didn't really mean much or that the money Veco executives gave to Kott was legitimate.

Allen, 70, though weary and showing the strain at times after two days on the stand, didn't go along with the defense.

He is a key prosecution witness in the trial of Kott, a man whom Allen called a close friend, almost like family.

Allen told jurors he already has admitted his guilt in a conspiracy. He testified that he pleaded guilty to bribing three former legislators: "Pete Kott, Vic Kohring and Ben Stevens."

Kohring, a Republican from Wasilla who served in the House, is awaiting trial. Stevens, a Republican and former Senate president from Anchorage, hasn't been charged. Allen didn't mention a fourth legislator, former state Rep. Bruce Weyhrauch, whose corruption case was split from Kott's just before the trial began.

Allen testified that he didn't always tell FBI agents who were investigating corruption among legislators what they wanted to hear, but it was the truth.

"I worked real hard trying to make the truth and everything ... to be fair," Allen said.

Allen said that he expected to be sentenced to 10 to 11 years in prison but that no promises had been made. "Whatever happens to me happens."

He was confronted by FBI agents on Aug. 30, 2006, while going to breakfast with Sen. Fred Dyson, who unknown to Allen was helping in the investigation.

Allen said he agreed to cooperate to save his three grown children from being indicted and to spare Veco, which he built from its roots on Cook Inlet rigs to an international company with more than 4,000 employees. Veco was sold last week to CH2M Hill.

From the FBI headquarters in downtown Anchorage that first day, Allen called Kott. The FBI, which was recording the call without Kott's knowledge, wanted to know more about a \$7,993 payment from Allen that apparently was destined for Kott's son.

Prosecutors say the money was paid to Kott through an inflated invoice from his hardwood flooring company.

FBI - Stevens-1194

"Have you got your son took care of?" Allen asked Kott in the call, which earlier had been played for jurors.

Yeah, Kott answered.

"Did Rick get it done for you?" Allen asked, referring to former Veco vice president Rick Smith, who also has pleaded guilty to bribery and other charges.

Yeah, yeah, Kott answered.

"How did he do it or -- can you tell me?" Allen went on.

Kott reminded Allen that it was his check.

"Remember we talked about three, four or five weeks ago just add on X amount -- I forgot what it was exactly -- to your bill or something," Kott told him.

Prosecutors have played dozens of secretly made recordings for jurors that expose crude language, drinking and political deal making in which, they say, Kott was corrupted by Allen and Smith.

On Thursday, defense lawyer Wendt asked Allen if the \$7,900 was an advance for future flooring work, not a bribe.

Allen said he didn't know anything about any future work. The money, he said, was for Kott's son, Peter Jr., to take time off from the flooring business and help out on his father's campaign.

The defense appeared to score a point when Wendt pressed Allen on whether he had offered Kott a lobbying job "with Veco."

Allen said in at least one of the recorded conversations that Kott would be a lobbyist. But when Wendt asked him to find on the transcript where he specifically promised that Kott would be a lobbyist for Veco, he couldn't.

"In my mind I told him he would be a lobbyist with Veco," Allen said, adding he believed that was Kott's understanding as well. Another issue concerns \$1,000 cash that Allen handed to Kott in Suite 604 of Juneau's Baranof Hotel. Many of the recordings were made there.

Wendt asked Allen if that wasn't just reimbursing Kott for money he had contributed to Gov. Frank Murkowski's campaign.

Allen said he didn't owe Kott anything for that. But Wendt repeatedly asked if the \$1,000 was payback for the contribution.

"Yeah, but he didn't ask for it. I just gave it to him ... goddamn," a frustrated Allen said on the witness stand.

Wendt contends Kott didn't always do Veco's bidding and was on the opposite side of matters such as workers' compensation.

But Allen testified he didn't remember if there was ever any issue where he and Kott split.

Allen said he was friendly with a few legislators, all Anchorage Republicans, including Stevens and state Reps. Mike Hawker and Norm Rokeberg.

FBI - Stevens-1195

He was especially close only to Kott and state Sen. John Cowdery, he said.

Kott was a drinking buddy who lived with him for a few months in 2005 to be closer to flooring jobs, Allen said. He related to Cowdery because both were contractors -- Cowdery used to run an excavation business -- and liked to talk shop.

Both regularly showed up at his downtown Anchorage home unannounced. He welcomed it. Cowdery would say "I'm at the front door," Allen told jurors.

Wendt asked Allen about Veco's hiring of legislators as consultants. Allen talked about two, Stevens, and former state Rep. Tom Anderson, R-Anchorage. Anderson was convicted in July of seven federal charges in another corruption case, but the allegations didn't involve Veco.

Allen said another executive hired Anderson and he only found out later.

"He was supposed to be like a lawyer," Allen said. But he admitted "I don't know why we really hired him."

Allen told jurors he talked with Kott about eventually going to work for Veco -- but after he was out of office. He said Veco shouldn't hire sitting legislators and it shouldn't have happened with Anderson.

As to Stevens, he started consulting for Veco in 1995, six years before he was appointed to the Senate, Allen said. "He was real good at details. He was like Pete. He would work," Allen said.

By the time Stevens was in the Senate, he had four kids, Allen noted. "How am I supposed to say 'now that you're a senator, Ben, I can't give you more money,' " Allen testified. "I couldn't do that."

One strange moment happened at the end of Friday's testimony. Wendt asked Allen if he had threatened to have his nephew, Dave Anderson, killed for being "involved in blackmail." Allen said there was blackmail but that he never threatened to have his nephew murdered.

"I told him I'd kick the s--- out of him," Allen said on the witness stand.

The trial resumes today with Allen still on the stand. Smith also is expected to testify.

The trial is expected to take much of next week.

Find Sean Cockerham online at adn.com/contact/scockerham or call 257-2344. Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ONLINE AUDIO: Listen to FBI wiretaps being submitted as evidence and court testimony from ex-Veco CEO Bill Allen.

adn.com/fbi

TRIAL UPDATES: Visit our political blog for the latest from the courtroom. court testimony from ex-Veco CEO Bill Allen.

adn.com/alaskapolitics

LOAD-DATE: September 14, 2007

LANGUAGE: ENGLISH

GRAPHIC: Dyson

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

FBI - Stevens-1196

Copyright 2007 Anchorage Daily News
All Rights Reserved

Untitled

ANCHORAGE

Anderson's sentencing is delayed

The sentencing of former state Rep. Tom Anderson on federal corruption charges has been delayed until Oct. 15.

Anderson's attorney, Paul Stockler, requested the date be moved from Oct. 2 so Anderson's wife, state Sen. Lesil McGuire could attend. She is to be out of the country for a private organization, the motion to the judge said. She also didn't want the sentencing to occur during an upcoming special legislative session on oil taxes, set to begin Oct. 18 in Juneau.

Anderson was convicted in July of seven felonies including bribery, extortion and money laundering.

U.S. District Judge John Sedwick approved the delay this week. The sentencing will begin at 10 a.m.

-- Anchorage Daily News

9/15/2007

SEC. B-3

FBI - Stevens-1197

194 A-AN-13620-m; 524

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 15, 2007 Saturday
FINAL EDITION

Old letter to editor gets juror removed from trial; VECO MONEY BLASTED: The judge says he found it "very worrisome to me."

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A10

LENGTH: 367 words

A juror was dismissed Friday in the corruption trial of former state Rep. Pete Kott.

Defense lawyers told U.S. District Judge John Sedwick they had just come across a letter to the editor by juror Lisa Polito published in the Kodiak Daily Mirror on Oct. 30, 2006, that referred to Veco Corp. campaign contributions as "scandal-tainted money."

Kott is accused of taking bribes to do Veco's bidding in the Legislature.

In the letter, Polito criticized Kodiak Rep. Gabrielle LeDoux for failing to return campaign contributions from Veco. Polito was responding to a news story that had said LeDoux intended to give the money to charities after the election. Just a "guise of 'renouncing' the funds," Polito wrote.

Polito hosts a public radio show in Kodiak called "Talk of the Rock."

On Friday morning, defense lawyer Jim Wendt showed the letter to Sedwick before jurors were brought in.

"This is very worrisome to me," Sedwick said.

The issue of Polito's ability to be impartial had come up just the day before when she sent Sedwick a note revealing that her husband was a fisherman plaintiff in the Exxon Valdez oil spill lawsuit. She didn't remember about his involvement in the suit when the jury was being picked, and said it wasn't part of her daily life. Sedwick questioned her but decided she could remain on the jury.

Not so on Friday.

"It looks to me like she made up her mind, and not only made up her mind, failed to tell us about it," Sedwick said.

But Polito said she had thought of the letter as being about the campaign, not Veco. She said she mentioned during the jury selection process that she had written letters to the editor about political campaigns. She expected the lawyers to ask more about that, but they didn't.

In the letter, Polito said, her point was that LeDoux should return the Veco money "just for good measure, not that that was any kind of indictment on Veco."

Asked how she thought the trial was going, Polito said "slow." Tedious? "No, thorough."

Ultimately, "it wasn't far enough into it that I felt like either side had totally substantiated their claims in their opening remarks," Polito said.

FBI - Stevens-1198

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

194A-AN-13620-M;525

LOAD-DATE: September 17, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1199

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 16, 2007 Sunday
FINAL EDITION

Ex-Veco VP has more to reveal; Smith names bribe takers, to testify again Monday in trial of Pete Kott

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 1128 words

Witnesses in the corruption trial of former state Rep. Pete Kott have provided jarring testimony about secret dirty deals, payoffs to Kott, and the remodel of U.S. Sen. Ted Stevens' Girdwood home.

Most of the revelations have come out through dozens of secretly made recordings of cell phone calls and meetings in Suite 604 of the Baranof Hotel, the Juneau headquarters of Veco Corp. when the Legislature was in session. Kott is charged with taking bribes from Veco executives and conspiring with them and others to pass a new oil tax favored by North Slope oil producers in 2006.

The trial wrapped up its eighth day Friday and continues Monday.

Highlights so far:

WEDNESDAY, SEPT. 5

Just before the trial begins, U.S. District Judge John Sedwick splits Kott's case from that of his co-defendant, former Rep. Bruce Weyhrauch of Juneau. The two had been scheduled to be tried together. The split allows Kott's case to move forward while the government appeals a ruling excluding key evidence against Weyhrauch.

Jury selection for Kott begins. A few dozen people in the pool of 120 were weeded out earlier because of hardships, biases or other reasons revealed in written questionnaires.

THURSDAY, SEPT. 6

The process of picking a jury continues. It's slow going with prospective jurors questioned one by one about what they already knew about the case through news reports.

SEPT. 7

FBI - Stevens-1200

Just before noon, a jury of 10 women and two men, plus four alternatives, is picked. Eight of the regular jurors are from Anchorage. One is from Eagle River, which Kott represented for 14 years in the House. Another is a public radio talk show host from Kodiak. She comes back into the story later.

MONDAY, SEPT. 10

Prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section, and defense attorney Jim Wendt outline their versions of the case in opening statements to the jury, and the government begins to introduce the FBI's secretly made recordings into evidence.

Marsh says that Kott had betrayed the public trust by pushing an oil tax favored by industry in exchange for money, a Veco-paid-for political poll and the promise of a job from the company. In one of the recordings, Marsh tells jurors, Kott says "I sold my soul to the devil."

Wendt tells jurors the government has twisted what happened. Kott was just a blue-collar Republican working hard to get what most Alaskans wanted: a natural gas pipeline. There's nothing illegal about teaming up with lobbyists, the oil industry or others to work for a common goal, Wendt says.

"About the only ones that I can trust is you and ol' Ben Stevens," former Veco chief executive Bill Allen says to Kott in one of the recordings played that day. Stevens is the former Senate president.

TUESDAY, SEPT. 11

The entire day, an FBI agent from Cincinnati is on the witness stand to provide background as prosecutors introduce many more recordings into evidence. The cell phone conversations and meetings in Suite 604 reveal a crude world of political deal-making that operated on the fringes of the Alaska Legislature.

After a key vote on the oil tax rate on May 7, 2006, Kott goes to Suite 604 to celebrate with Allen, former Veco vice president Rick Smith, and others. In a grainy video, they clink glasses and Kott boasts about how he got the votes. "I use 'em and abuse 'em," he says of his colleagues.

WEDNESDAY, SEPT. 12

The government plays more recordings in the morning and then Allen takes the witness stand. It's the first time he's talked publicly about his role in the corruption investigation since it burst into public view more than a year ago. The courtroom fills with spectators.

Under questioning by prosecutor James Goeke, Allen tells about a scheme to funnel nearly \$8,000 to Kott for his son so his son could take off from work to help on Kott's re-election campaign.

Allen also explains that when Kott keeps talking about going to work as a warden for a prison that Veco was building in Barbados, it's just a running joke. But Veco's promise to give Kott a job as a lobbyist once he was out of the Legislature was real, Allen testifies.

THURSDAY, SEPT. 13

Allen remains on the witness stand all day. He tells jurors he has been cooperating with the FBI since Aug. 30, 2006, when he was confronted by agents while with Sen. Fred Dyson on the way to breakfast. On Aug. 31, teams of federal agents raided offices of six legislators around the state. Allen says he pleaded guilty to bribing three: Kott, former Rep. Vic Kohring and Stevens. He does not mention Weyhrauch. Much of the day, defense lawyer Wendt pushes Allen to say that what the government calls bribes weren't that at all. But Allen doesn't go along.

FRIDAY, SEPT. 14

The most startling moment of the trial comes when Allen reveals that he or Veco provided workers and material for the 2000 building project that doubled the size of Ted Stevens' residence in Girdwood. Wendt, still doing the cross-examination, was seeking to discredit Allen and downplay the role that Kott played in the scandal.

Later in the day, former Veco vice president Rick Smith takes the stand. He also testifies about whom he pleaded guilty to bribing: Kott, Kohring, Weyhrauch, Stevens and one more, Sen. John Cowdery. In Smith and Allen's charging documents, Cowdery is believed to be Senator A, a member of the conspiracy, though not among the group that was bribed.

Also on Friday, juror Lisa Polito of Kodiak is dismissed after the judge learns she wrote a letter to the editor in October 2006 that described Veco's campaign contributions as "scandal-tainted money." One of the alternates, a child-care worker from Anchorage, is moved to the panel of 12 regular jurors.

What's next: Smith continues on the stand Monday, followed by more government witnesses. The defense is expected to begin presenting its case on Tuesday. That's expected to last at least a couple of days.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

TRIAL AUDIO: You can follow the Kott trial online. We have audio clips from the first day of testimony from ex-Veco CEO Bill Allen and many of the FBI wiretap recordings entered into evidence, some with transcripts. We're adding more every day and will eventually have all of the evidence and testimony. You'll also find an overview of the larger corruption investigation and an interactive timeline, and you can read about key players in the case.

FBI - Stevens-1201

adn.com/fbi

STAY UP TO DATE: Read updates from the trial through the day each day the trial is in session on adn.com and on our politics blog

adn.com/alaskapolitics

WHERE'S IT LEAD? For an interactive overview of the corruption investigation go online to adn.com/fbi. Click on "Corruption investigation overview" at the top of the right column.

LOAD-DATE: September 18, 2007

LANGUAGE: ENGLISH

GRAPHIC: ERIK HILL / Anchorage Daily News

Former House speaker Pete Kott, right, arrives on Friday morning with daughter Pamela Kott at the Federal Building and U.S. Courthouse for his trial for bribery, extortion, fraud and conspiracy.

AL GRILLO / The Associated Press

Bill Allen, the former head of oil field services company Veco Corp., right, walks back to court at the federal court house in Anchorage on Thursday, which was his second day of testimony in former state Rep. Pete Kott's corruption trial. Allen and Veco vice president Rick Smith pleaded guilty to extortion, conspiracy and bribery of legislators in May.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

Copyright 2007 Anchorage Daily News
All Rights Reserved

FBI - Stevens-1202

Untitled

Paper: Anchorage Daily News (AK)

Title: Defense disputes Kohring's FBI chats -

EVIDENCE: His lawyer asks to stifle material from an office search.

CORRUPTION CASES IN TWO ANCHORAGE COURTROOMS

Date: September 18, 2007

A battle is being fought over evidence in the case against former Rep. Vic Kohring, but that's just one of the twists.

At issue: whether prosecutors can use materials seized and statements made by Kohring during the Aug. 31, 2006, search of his legislative office in Wasilla.

His lawyer, John Henry Browne of Seattle, says they didn't get anything incriminating, but he is still fighting to stifle everything from the search. Kohring, a Republican elected seven times, talked with FBI agents for hours that day.

One revelation came after the hearing. Browne told reporters that he intended to file a motion within the next two weeks to dismiss the charges based on what he called improper interference by state Sen. Fred Dyson, R-Eagle River.

Kohring's trial is set to begin Oct. 22. He is charged with conspiracy, extortion and bribery. He is accused of accepting money from Veco Corp. executives in order to push the company's interests on oil taxes and a natural gas pipeline.

According to an FBI report filed in court by his attorney, Kohring told agents:

* He had asked for money for himself personally and for his political campaigns from Veco executives Rick Smith and Bill Allen, and also asked Smith about borrowing or renting a truck. The campaign contributions were properly reported, he said.

* He told agents about regularly meeting and dining with lobbyists while the Legislature was in session. "He likes receiving free meals and drinks from lobbyists," the FBI summary of the Aug. 31 interview said.

* Kohring had a \$2,700-a-month consulting contract with developer Marc Marlow but couldn't describe his specific duties.

* Earlier, Kohring had asked Allen if Veco would hire his nephew as an intern. Veco did so. Kohring told agents he thought it was a great benefit for an 18-year-old to be paid \$16 an hour.

In another revelation, former Cornell Cos. consultant Frank Prewitt and former state Rep. Tom Anderson secretly recorded conversations with Kohring for the government, according to a letter sent this summer by federal prosecutors to Browne. It was just filed in court. Anderson was convicted in July of taking bribes to do the bidding of Cornell, but it came out at his trial that he at one point was

Untitled

cooperating with the FBI. Prewitt was working undercover for the FBI to collect information against Anderson and, it's now known, against Kohring.

The letter says both Prewitt and Anderson made recordings for the government in the case voluntarily, so no court authorization was needed.

KOHRING'S VOTE RECORD

Browne said all the allegations can be explained and that what's important is this: Kohring didn't vote Veco's way on the oil tax. A check of legislative records shows that was true on certain key votes. When Veco shifted strategy to support a compromise tax rate in an August 2006 special session, Kohring voted against it.

Browne said he learned only Thursday from testimony in the Kott case that Dyson had been helping the FBI investigate corruption in the Alaska Legislature. That makes him an agent of the government, Browne said. He called Dyson "a lapdog."

Browne said he takes issue with Dyson trying to persuade Kohring to at least talk to the feds, if not take a plea deal. He said he believes that the government could have been trying to interfere with Kohring's right to counsel.

But Dyson said later that he just was trying to help Kohring as a friend and wasn't asked to do so by prosecutors or the FBI.

As Browne tells it, a legislative aide to Dyson contacted an aide to Kohring to say the FBI had contacted Dyson's office and that Kohring would be "stupid to go to trial."

On Aug. 6, Craig Suffian, an attorney who works for Browne, sent Dyson an e-mail saying there may have been "an end-run around the right to counsel."

In his e-mail response the same day, Dyson said he wasn't trying to do that.

"My sense of the FBI investigations is that it is not a witch hunt and that they mostly want to nail the really bad guys who did intend to distort the Alaskan Legislative process," Dyson wrote.

He believed that Kohring never meant any harm and possibly could "avoid a good deal of stress and bad press at a trial by at least sitting down with the Feds and see if an attractive alternative was possible," he said in his e-mail. He said he figured Kohring's lawyers would go with him to talk to prosecutors.

Browne provided a copy of the e-mail exchange.

So is Kohring negotiating? Browne said that's something defense lawyers are barred from talking about.

FBI TESTIMONY

Untitled

During the three-hour hearing on Monday, three FBI agents testified about the search of Kohring's office.

Five agents were involved, along with an evidence technician. But while the agents were armed, their weapons were concealed and never drawn, agents testified. They wore business clothes, not FBI raid jackets, and drove unmarked cars. While the outer door to the office was locked, it opened from the inside and Kohring was always free to go, agent Alan Vanderploeg testified.

They had a warrant, signed by federal Magistrate Judge John D. Roberts on Aug. 29, 2006.

But the warrant was never executed. Agents wanted Kohring to agree to the search, which he did.

Kohring's lawyer maintains that a search cannot be voluntary if agents tell the subject they have a warrant.

Kohring is one of six former or current legislators whose offices were searched that day. Agents testified they were instructed to get consent for the searches as "a professional courtesy."

But it also made it more difficult for defense lawyers to see the written support for the search warrant -- the application and the FBI agent's detailed affidavit. The search warrant and affidavit were sealed.

Browne told Roberts that he still wanted to see the affidavit and that prosecutors hadn't turned it over. At the hearing, prosecutors agreed to provide it, as long as he kept it confidential.

Now it is up to Roberts to recommend to District Judge John Sedwick whether the evidence taken in the search, and the statement that Kohring gave, can be used against him.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Tom Kizzia contributed to this story.

READ MORE: See the FBI report on the agents' search of Kohring's office, along with the e-mail from Sen. Fred Dyson, at

adn.com/fbi

Caption:

BILL ROTH / Anchorage Daily News

Ex-state Rep. Vic Kohring, R-Wasilla, leaves the federal courthouse in Anchorage after a Monday hearing. Kohring faces bribery, extortion and corruption charges for allegedly taking money from Veco in return for his support on energy issues.

Kohring's attorney John Henry Browne said all the allegations can be explained.

Caption:

Photo 2: VicKohring_091807.jpg

Untitled

Graphic 1: JohnHenryBrowne_091807.eps
Copyright (c) 2007, Anchorage Daily News

Author: LISA DEMER Idemer@adn.com Staff
Section: Main
Page: A1
Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-1206

Untitled

Paper: Anchorage Daily News (AK)

Title: Kott trial bares Veco maneuvers -

PROSECUTION RESTS: From pig roasts to political polls, former V.P. shines light on the firm's spending.

Date: September 18, 2007

Former Veco vice president Rick Smith was at the center of company fundraising, whether it was organizing the annual pig roasts for Rep. Don Young or one of the many golf tournaments where he turned checks into cash under a special arrangement with the Buckaroo Club in Spenard known as the "Phony Account."

Smith concluded two days of testimony Monday as a government witness in the federal corruption trial of former House Speaker Pete Kott, R-Eagle River. The government later wrapped up its case, with Kott's attorneys expecting to present their defense starting this morning and running through Thursday.

After the jury was dismissed for the day, U.S. District Judge John Sedwick rejected a defense motion to throw out the case against Kott. He said the government had provided ample evidence to support its charges of bribery, extortion and conspiracy.

The day also provided an inside look into how Veco apparently broke state law by hiring Anchorage pollster David Dittman to conduct a poll for Kott in 2006. Dittman, who took the stand after Smith, said he suspected the Veco-paid poll amounted to an illegal campaign contribution from the company to Kott, but decided it wasn't his business to worry about it.

Until it was sold 11 days ago on the eve of Kott's trial, Veco was an Alaska-based oil field services company. Its former chairman, Bill Allen, was among the most politically active businessmen in the state.

Kott's trial resumed Monday with Smith on the witness stand under cross-examination by Jim Wendt, the chief defense counsel.

Smith began work at Veco in 1989 as a logistics expert in Veco's cleanup of the Exxon Valdez oil spill. Rising to vice president of community and government affairs, Smith said his most recent annual salary was \$165,000 plus a bonus ranging from \$20,000 to \$80,000. He was also illegally reimbursed for campaign contributions totaling \$20,000 to \$50,000 a year, he said.

The corruption investigation, centered on Veco and its relationships with politicians, brought an end to his employment in May, but his severance package was worth \$384,000. Veco continued to pay his legal bills until CH2M Hill bought the company. He settled for a one-time lump-sum payment of \$500,000 for lawyers but can keep any money left over, he said.

Smith learned he was busted on Aug. 31, 2006, the day after Allen agreed to work for the government. Smith said he got an early morning call from Allen, who asked him to come to his home as soon as he could.

Untitled

He got to Allen's door about 9 a.m.

"I got some people you need to talk to," Allen said, then left. Two FBI agents approached Smith.

"They sat down and had a conversation with me, showed me the video and audio evidence they had accumulated and talked about what would happen to me if they were to prosecute and indict me," Smith testified.

He caved quickly and agreed to cooperate. Both he and Allen have pleaded guilty to bribery, extortion and conspiracy and face about 10 years in prison.

Wendt attempted to attack Smith's credibility by bringing up the dozens of charitable golf tournaments he ran over the years and his odd arrangements with the Buckaroo Club, a Spenard bar.

"The business relationship you had with them was to launder money, isn't that true?" Wendt asked.

Smith denied his conduct was illegal. He said he'd bring tournament checks from participants to the bar, which would cash them so he had money to pay expenses. Wendt suggested the amount totaled in the hundreds of thousands of dollars, and Smith didn't deny it. He also didn't deny that he called his arrangement the "Phony Account."

"Didn't the owners of the Buckaroo warn you that the IRS would catch up to you some day?" Wendt said.

"I don't recall," Smith said.

Smith said that for more than 10 years he organized the annual pig roasts that raised money for Don Young's campaigns. They were major affairs, attended by 200 to 400 people and catered by the Marx Bros. Cafe. The cost was \$10,000 to \$15,000, he said. He wasn't asked whether Young's campaign reimbursed the full cost.

Smith acknowledged he was the Veco employee who supervised the payments of \$30,000 to Tom Anderson when Anderson served in the state House -- a "sham contract," in Wendt's words.

"We never got any work out of it," Smith said. "I asked him to work. It didn't happen."

Anderson was convicted in July of taking bribes to do the bidding of another company that wanted to build a private prison in Alaska.

FBI - Stevens-1208

Taking his turn in the witness stand, pollster Dave Dittman said Veco paid him to conduct polls for candidates, including Kott and then-Gov. Frank Murkowski. Such corporate-funded polls for candidates are illegal, according to the head of the Alaska Public Offices Commission.

Dittman indicated on the stand that he did have some concerns about the legality of the polls.

Untitled

"I remember thinking that 'Oh, I hope you guys don't get yourselves in trouble over this,' " Dittman testified, speaking about Veco paying \$2,750 for the July 2006 Kott poll. "I knew it was a corporate contribution; it would exceed the maximum contribution. I also felt they were big boys, had been around for a while and probably knew what they were doing."

Dittman also testified that he conducted a \$20,000 poll for then-Gov. Frank Murkowski in April 2006. Veco executive Rick Smith paid for that poll, Dittman said on the witness stand.

"This one was initiated by either Jim Clark or the governor," Dittman testified. "The governor was very unpopular at the time and there was some question of whether he would run."

Clark, who was Murkowski's chief of staff, did not return a phone message seeking comment. Dittman said in an interview he thinks the poll could have been legal because Murkowski was not a declared candidate at that time. Brooke Miles, executive director of the APOC, said that is a gray area.

Dittman also said on the witness stand that Veco paid in June 2006 for a "gubernatorial primary poll" and one for state Senate District N, where then-Sen. Ben Stevens was trying to decide whether he had a chance to retain his seat.

Dittman testified he has done "four or five" political candidate polls for Veco over the past few years. In the later interview, Dittman said he could not recall any other companies that had paid for him to do candidate polls within the past several years.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

REAL-TIME FROM THE TRIAL: Find the most up-to-date news from the Kott trial on our politics blog. Reporter Kyle Hopkins is posting updates throughout the day

adn.com/politics

INSIDE

COWDERY: Gov. Palin wants Senate leaders to decide if the Anchorage Republican should remain the Rules Committee chairman.

Page B-1

Caption:

AL GRILLO / The Associated Press

FBI - Stevens-1209

Former Veco Corp. executive Rick Smith, left, walks from a federal courtroom on Monday during a break in his testimony in the federal corruption trial of former Alaska House Speaker Pete Kott.

Caption:

Photo 2: Video3_091807.jpg

Graphic 1: Video2_091807.eps

Untitled

Graphic 3: 18corrupt_091807.eps
Copyright (c) 2007, Anchorage Daily News

Author: RICHARD MAUER and SEAN COCKERHAM Anchorage Daily News Staff
Section: Main
Page: A1
Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-1210

Untitled

Paper: Anchorage Daily News (AK)

Title: Governor pressures Cowdery -

BRIBE ALLEGATION: Palin urges review of senator's leadership role.

Date: September 18, 2007

Gov. Sarah Palin said Monday that Senate leaders should review whether Anchorage Republican John Cowdery is qualified to remain the Senate's Rules Committee chairman.

On Friday, a former oil field services executive testified that Cowdery was among five lawmakers he bribed for favorable influence on oil tax legislation.

Cowdery was among six legislators whose offices the FBI raided last year. He has not been charged but was named in testimony during former Rep. Pete Kott's federal corruption trial last week.

Palin stopped short of calling for Cowdery to be stripped of his title, saying that decision rests with Senate leaders who initially put him in that position.

The rules chairman is the gatekeeper of all legislation that reaches the Senate floor for a vote.

"With that confirmation in testimony, I would think that the Senate leadership would want to address the issue," Palin said. "We haven't heard them address it yet.

"And we haven't heard what Senate leadership intends to do about the allegations, especially now that the names have been made public."

Senate President Lyda Green, R-Wasilla, did not immediately return requests for comment Monday.

Cowdery is out of town and unavailable for comment, said Jeff Turner, press secretary for the Senate majority, made up of six Republicans and nine Democrats.

After federal agents searched his office last August, Cowdery was among the first to respond.

"It's pretty bizarre," he said in a written statement at the time. "That's all I know. It's pretty bizarre. I haven't done anything wrong."

A special session is set to begin next month on oil taxes, called in part to review how the Legislature in 2006 passed a new tax on the oil industry. The issue dominated the session and is at the heart of charges against three former lawmakers, including Kott.

Having Cowdery remain as Rules Committee chairman for the session that starts Oct. 18 has some lawmakers nervous.

"At the very least the leadership needs to look at can we go through a special session and evaluate the proposal?" said Minority Leader Gene Theriault, R-North Pole,

Untitled

Cowdery's appointment came under scrutiny Jan. 16 during the first Senate floor session when committee appointments received a vote.

Therriault, whose minority group is made up of five Republicans, raised the issue then, but Cowdery was approved along coalition lines, 15-5.

Therriault believes testimony last week from former Veco Corp. vice president Rick Smith -- although Smith didn't elaborate on how he allegedly bribed Cowdery -- warrants revisiting Cowdery's leadership role.

"Now there appears even more reason to be concerned about public perception over Senator Cowdery remaining in a leadership position," Therriault said.

Caption:

Cowdery

Caption:

Graphic 1: John Cowdery CMYK_091807.eps

Copyright (c) 2007, Anchorage Daily News

Author: STEVE QUINN The Associated Press WIRE

Section: Alaska

Page: B1

Dateline: JUNEAU

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-1212

Untitled

Paper: Anchorage Daily News (AK)

Title: Marketing firm mentioned in Kott corruption trial burglarized -

NORTHWEST STRATEGIES: Items worth \$40,000 were stolen during the weekend.

Date: September 19, 2007

An Anchorage marketing firm whose name came up last week during the corruption trial of former Rep. Pete Kott was burglarized over the weekend, Anchorage police said Tuesday.

A thief or thieves broke into Northwest Strategies and stole a computer server, two hard drives, broadcast editing equipment and a flat screen TV, among other items, owner Tim Woolston said.

"They took a number of business equipment, office and computer equipment, and some kind of a network server that has a lot of business records on it," said Anchorage police Lt. Paul Honeman.

Police estimate the losses to be in excess of \$40,000, he said.

None of the equipment contained sensitive information about clients, and no customer information was compromised, Woolston said.

The burglary took place between 3 p.m. Saturday and 11:30 a.m. Sunday, Honeman said, and it was reported Sunday by an employee.

"But then we didn't get the call until 3 in the afternoon," he said. "I don't know why there was such a delay."

Whoever broke in cracked a window on the back of the building and pulled it off the frame, Woolston said. The office did not have a security alarm, he said, but it soon will.

Police have "very few" leads, Honeman said.

Northwest Strategies was co-owned by former Sen. Jerry Mackie until earlier this year, when Woolston bought out his interest, Woolston said.

Both Northwest Strategies' and Mackie's names have surfaced during the corruption trial of Kott, who is accused of selling his influence to Veco executives.

A phone conversation between Mackie and former Veco vice president Rick Smith that took place on July 12, 2006 -- when Mackie still was with Northwest Strategies and was working as a consultant on Kott's campaign -- was played to jurors last week.

In it, they talked about a poll conducted by Dave Dittman for Kott's campaign. Mackie told Smith he had let Kott know that Smith and Veco CEO Bill Allen had agreed to help pay for the poll, and Kott said that was great.

Untitled

After the conversation was played Sept. 11, Mackie told the Daily News he knew about the poll but wasn't a part of any bribery conspiracy involving Veco.

Woolston said he had no reason to think the timing of the testimony and the burglary had any relationship to one another.

"I can't for the life of me think about what that might be," Woolston said. "All we did for that campaign was create a few commercials and they were all out there in the public, so I don't know what the point would have been."

Find James Halpin online at adn.com/contact/jhalpin or call him at 257-4589.
Copyright (c) 2007, Anchorage Daily News

Author: JAMES HALPIN jhalpin@adn.com Staff
Section: Alaska
Page: B1
Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-1214

[<<Back](#)



Cornell has no plans for new prisons in Alaska

by Jill Burke
Wednesday, Sept. 19, 2007

ANCHORAGE, Alaska -- Cornell Cos. claims it will no longer attempt to sell projects here in Alaska.

The company has made big headlines in Alaska over the last several months as the private prison firm used a decoy by government informant Frank Prewitt in crafting a bribery scheme with former Anchorage lobbyist Bill Bobrick and former Anchorage Rep. Tom Anderson.

Both Anderson and Bobrick have been convicted of corruption and bribery in the scheme.

Cornell has tried building a private prison in Alaska three times -- in Delta Junction, Kenai and Whittier -- and has been unsuccessful in each instance.

Now Cornell CEO James Hyman said he's done.

"We understand how the [Department of Justice] had to use bait to get what they needed. We are a little chagrined to be that bait," Hyman said.

Although the government successfully used Cornell as bait to take down Anderson and Bobrick, the company was not involved in the kickbacks and knew nothing of Prewitt's arrangement with federal agents.

Instead, Cornell was simply part of an FBI cover in order to keep the bribery framework it was monitoring with Anderson and Bobrick believable.

Unbeknownst to Cornell, Prewitt sought Anderson's help on matters key to the company's future plans, including muscling through the complex bureaucracy to prove to the state those projects were needed.

During the Anderson trial, Prewitt told the court he made an illegal campaign contribution utilizing money from a former Cornell executive.

After hearing that, Hyman said the company wanted to ensure its activities in Alaska had all been above board.

Hyman said the company talked to current and ex-employees to try and discover any wrongdoing. He said he is confident there have been no issues since he took over in 2005 and said there's no evidence it happened in prior years either.

Among the projects Cornell was pursuing in Alaska, and Prewitt was using to snare Anderson, was a new juvenile residential treatment facility for Anchorage.

The project suffered from poor community support for the Downtown location it chose for a detention facility in addition to the paperwork and bureaucratic snags.

Cornell currently operates six halfway houses across the state, including three here in Anchorage. A company executive announced that is where its focus will remain for the foreseeable future.

FBI - Stevens-1215

194-AN-13620-M:531

"We are not interested in the juvenile sector here. We are not interested in building a private prison here or operating a private prison here. That is not where we are going to focus," Hyman said.

Alaska Department of Corrections Commissioner Joe Schmidt said the department's relationship with Cornell is still strong.

"Right now, they want to work with us instead of against us, and I think we have a pretty good partnership right now," Schmidt said.

The possibility of constructing a private prison in Alaska was taken off the table three years ago when the state legislature passed a bill requiring any prison expansion in the state to be state-run and state-operated.

Plans to build a facility at Point MacKenzie in the Matanuska-Susitna Borough are moving forward, although the original mega-prison proposal has been shelved.

Contact Jill Burke at jburke@ktuu.com



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

FBI - Stevens-1216

adn.com

Anchorage Daily News

Print Page

Close Window

Veco man says he worked on Stevens, Young fund-raisers

By MATT APUZZO
The Associated Press

(Published: September 19, 2007)

WASHINGTON - A construction worker who oversaw renovation of Sen. Ted Stevens' home said his company also paid him to help run fundraisers for the Alaska Republican, a practice that appears to violate federal campaign finance laws.

Contractor Robert Williams is a key witness in a bribery investigation that stretches from Alaska to Capitol Hill and threatens legal and political headaches for the Senate's longest-serving Republican. The FBI is investigating whether Stevens received illegal gifts from Veco Corp., the once-powerful Alaska oil contractor.

Williams said he was in charge of "special projects" for Veco founder Bill Allen, and the renovation of Stevens' home was one such project. Others included working three or four fundraisers for Stevens while on the clock with Veco. Federal elections laws prohibit candidates from accepting donations or free services from corporations.

Unlike other Veco employees, Williams did not itemize his time sheets with job codes so customers could be billed. When working on one of Allen's pet projects, Williams just logged his hours and Veco made sure he was paid.

"I never had any doubts about it until the FBI came down and served me with subpoenas," Williams said in a telephone interview.

At fundraisers, including at least one at the home of Stevens' brother-in-law, Williams said he was assigned odd jobs. He delivered ice, arranged for table rental or oversaw the four or five Veco employees parking cars.

"If I didn't have parking patrol, I basically just had to be there to make sure nothing got messed up," Williams recalled.

Williams said he also helped run annual fundraising pig roasts for Rep. Don Young, another Alaska Republican who has come under scrutiny in the Veco investigation. The fundraisers were among many Williams said he worked on during his more than 13 years at Veco. FBI - Stevens-1217

Stevens spokesman Aaron Saunders had no comment Wednesday. The senator has said he wants to avoid any suggestion he was trying to influence the investigation by discussing it publicly.

A spokesman for Young's office referred questions to his campaign spokesman, who did not immediately return a call.

Corporations are prohibited from donating to federal candidates, and that includes providing services, said Kenneth A. Gross, a Washington campaign lawyer and former Federal Election Commission counsel.

194-AN-13620-M;532

"The company would have had to have been paid," Gross said.

Young recently amended his campaign finance reports to reflect \$38,000 in back payments to Allen for the fundraisers. A review of Stevens' campaign finance expenditures since 2000 revealed no payments to Veco or Allen for fundraising.

Robert K. Kelner, another elections attorney and former Republican National Committee lawyer, said the question is whether Stevens or his campaign workers knew the Veco employees were on the clock.

"Should a thoughtful candidate consider that possibility and look into it? Yes," Kelner said. "Do they have a legal obligation to be that thoughtful? No."

Fundraising and favors are at the heart of the corruption investigation, which has ensnared several Alaska legislators. Allen has pleaded guilty to bribing lawmakers and is cooperating with the FBI. He admitted in court last week that his employees provided "some labor" on Stevens' house in 2000, but Williams recalled the job in greater detail.

Williams remembered spending two or three days a week for about six months at Stevens' house, supervising workers and installing hardwood floors. He also recalled moving a truckload of furniture, including a bed and a rug, from Stevens' mother-in-law's house to the senator's home.

The renovation was supposed to have been just a concrete slab in the basement. But groundwater levels complicated the job, Williams said, so workers raised the house, built a new first floor and added electrical and plumbing connections.

A few other Veco employees helped on the job and Williams hired outside contractors. A garage was added, though Williams isn't sure how that idea came up.

Veco isn't in the residential construction business. Its workers build oil pipelines. But Williams said Allen often assigned him work for friends and family. Stevens and Allen are longtime friends, so Williams didn't think the renovation project was unusual.

Stevens met with workers and knew Veco was handling the job, Williams said, so he assumed the senator was reimbursing Veco for his time. Stevens has said he paid every bill he received on the house.

"Ted said he wanted to make sure everything is paid for," Williams recalled from an early meeting with Allen and Stevens.

He recalls Stevens and his wife paying for flooring and is certain the senator paid for at least some of the work. But because Williams didn't record his time at Stevens' house, he said, nobody could know for sure how much his time cost.

FBI - Stevens-1218

At the time, he assumed that when he signed off on expenses and submitted them to Veco, the company would pass those bills on to Stevens. Now, he's not so sure.

"I think Bill's ego got away from him," Williams said. "I think he did what he thought he could do."

Allen liked to do things his own way and wasn't fussy about separating business and friendship, Williams said. "Bill's personal life and the company were one and the same."

Williams testified about the house project before a federal grand jury in Anchorage. He couldn't

remember the total cost of the renovation but said the Justice Department seemed to already know more about the project than he did.

Investigators were "very thorough" and had numerous documents and bills associated with the house, he said.

"I thought everything was on the up and up," Williams said. "I'm disappointed with the way things turned out, and I'm sorry for Ted."

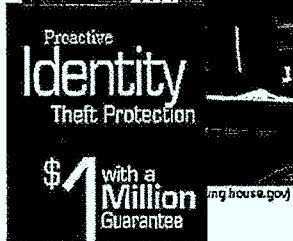
[Print Page](#)

[Close Window](#)

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-1219

« previous | MUCK HOME | next »



The Sound Of Silence

By Laura McGinn - September 20, 2007,
1:54PM

Hear that? That silence is the sound of my phone not ringing. It's been a familiar quiet since I first started trying to get some answers about Rep. Don Young's (R-AK) Coconut Road earmark last month.

Someone, apparently acting on Young's behalf, managed to change the bill's language in the massive 2005 transportation bill *after* it had passed both houses of Congress, but *before* the President signed it into law. The change no doubt gratified real estate developer Daniel Aronoff, who'd raised \$40,000 for Young earlier that year in his push for \$10 million to construct a highway interchange. Young's language change steered that cash away from the community's requested use and to



I'm Todd Davis, CEO of LifeLock, and this is my real social security number

457-55-5462



led to figure out how, in a very technical sense, a bill's t passed both houses of Congress. Surely there must be ting the President's signature safe from tampering, or so

ately from office to office, I'm still none the wiser as :changed the bill's language. It's become crystal clear, ould know don't have a ready answer -- and don't seem

urrent House clerk in late August; I heard nothing. Then was in place in 2005 when the rewording occurred. ntive director of the National Fish and Wildlife e two weeks ago. When he returned, his secretary called ay to talk -- too busy indefinitely, that is. I pressed, aying no comment. "No, he is just too busy with an ssic Washington blow-off line!")

the current clerk's office last week. I explained, again, it and got an answer! I was told: call the Committee on ask for its spokesman, Kyle Anderson. (Apparently d in the same question, so the two offices worked solution.) Anderson was sympathetic, but still passed umentarian's Office.

a hard time hearing the person who answered the phone. They were having a "luncheon," that sounded like a wild party (as far as Parliamentarian Office parties go). I called back in an hour, heard loud laughter and cocktail party chatting and then a "click." The third time was the charm. Max Spitzer, an assistant parliamentarian who didn't seem to know what I was talking about, clacked away at a computer, asking me questions about the name of the bill and the date, etc. He looked through something and concluded: "There is nothing here that would indicate a language change."

Well, there you go. The Coconut Road controversy is a figment of my imagination and Lee County, Florida's too. But wait, Lee County, the area that received the funds just voted to send the money back to Congress last month, in hopes of having it reallocated for what they determined to be the original purpose. Lee County commissioned a study from a former government official to trace the earmark's history, discovering that the language change must have occurred in the limbo period between passing Congress and waiting for the president's signature.

And what about our unsuccessful efforts to find an earmark -- any earmark -- other than Young's that had undergone a similar change in the bill? I offered to send the report on to Spitzer so he could see that in fact there was a change. He gave me his email address. The next day he said he sent it on to his superiors, who are certainly working on it.

Just in case that doesn't work, I called back the House Committee on Administration to talk with Anderson again. He sounded, again, very understanding. He explained that it's hard because it's a different majority, with different people working in the various offices. He said he'd see about reaching out to the "other side of the aisle" for me.

FBI - Stevens-1220

194-AW-13620-M;533

Since I haven't heard anything from Anderson, I just called the minority staff myself. I asked the spokeswoman there, Salley Collins, if Anderson spoke with her about this: "No, not at all." Well, good thing I called. After I explained the situation, which surprised her, she offered to put in a request with the Congressional Research Service to look into the matter. Collins warned that CRS could take a while to get to it.

PERMALINK | TOPICS: Don Young

PRINT SHARE

ADVERTISEMENT

O'Reilly: Fair & Balanced?

Do you think he's fair or biased? Take the PollingPoint Media Poll.

www.PollingPoint.com

Clinton's girl friends

Could 'mischief maker' Bill damage Hillary's presidential campaign?

www.thefirstpost.co.uk

OEE Benchmark

Benchmark TPM effectiveness to industry and world-class standards

www.informanca.com

WinBill Tracks Telecom

IT Budgeting/Tracking/Auditing Maximize Savings Minimize Errors

www.winbill.com

Ads by Google

Comments (4)

GeorgeBush43 wrote on September 20, 2007 2:07 PM:

Laura,

I am awfully sorry that you went to all of that trouble. You should have called me. I wrote that line into the bill right before I signed it because a couple of my buddies told me that we needed a road there. Sorry about the trouble!

--GWB

Roberta wrote on September 20, 2007 2:08 PM:

Laura, don't you realize that a lot of people could be embarrassed if you discovered--and revealed--that other earmarks had been "tweaked" between approval and signing? You wouldn't want to do that, would you?

Just be a good girl and do what I think an awful lot of people do in Washington: put your hands over your eyes while loudly chanting "lalalalalalala." That should take care of the whole problem.

EdNSTed wrote on September 20, 2007 2:12 PM:

Now that's what I call real accountability!

drational wrote on September 20, 2007 3:30 PM:

Thanks for the update and the work. It's clear that if you want something done in Washington, you should become a bike messenger carrying bills from the Hill to the White House.

FBI - Stevens-1221

Post a comment

Name:

Email Address:

URL:

☐ Remember personal info?

Untitled

Paper: Anchorage Daily News (AK)

Title: Kott says he lied to Veco executives -

TESTIMONY: He did take money, defendant says, but not as bribes.

Date: September 21, 2007

Former state Rep. Pete Kott apologized to jurors Thursday for his crude talk in secretly made FBI recordings, but he also conceded that he told Veco Corp. executives whatever they wanted to hear, even if it wasn't true.

On a day he made an emotional speech from the witness stand about his shattered legacy, other revelations spilled out, including that he changed his vote on a new oil tax at the last minute and took \$5,000 from former Veco executive Bill Allen as a truck loan that he never repaid.

But, Kott maintained, he never took bribes.

Kott finished testifying late in the afternoon after two grueling days on the stand in his federal corruption trial. While he seemed testy at times during aggressive cross-examination, he didn't lose his cool.

Gov. Sarah Palin quietly popped into the trial for about 10 minutes in the morning. Few seemed to spot her as she slipped into the back row during a little of Kott's testimony on oil taxes. Palin said she took the opportunity to check in during a fire drill in the governor's Anchorage office in the nearby Atwood building.

"This is one of the most important series of trials in Alaska history," Palin said after her courtroom visit.

TRIAL COMES AT GREAT COST, KOTT SAYS

Kott is being tried in U.S. District Court on charges of bribery, conspiracy, extortion and wire fraud. Veco executives Bill Allen and Rick Smith have pleaded guilty to bribing Kott and three other legislators in an effort to influence them on the tax measure in 2006.

Kott told jurors he had to go to trial because he believes he's not guilty, but that it's coming at great cost.

Jurors have seen videos from Suite 604 of the Baranof Hotel in Juneau and heard wiretapped telephone conversations in which Kott, often after drinking, plotted and cussed alongside Veco executives.

Will those videos and newspaper stories about his behavior be his legacy? defense lawyer Jim Wendt asked.

Kott, in the Legislature 14 years, including two as House speaker, choked up a bit during a monologue that lasted several minutes.

"Unfortunately, with all the things I believe I accomplished, the goals that I managed to reach, the legacy will be just that. I think people will forget about the good things and remember the bad things,"

Untitled

Kott said.

The video recordings are "extremely embarrassing," Kott said.

"Certainly to the jury, I apologize for the vulgarity that has been presented to you in the course of this trial," Kott said. "It has been an embarrassment for myself and my family." His girlfriend and grown son and daughter sat in the front row behind the defense table.

The defense slogged through the legislative record in an attempt to portray Kott as a statesman who sometimes voted against the 20 percent tax favored by Veco to reach an oil-tax compromise.

But as Kott himself explained, the unfolding of such complex bills is a "cat-and-mouse game," with lawmakers sometimes voting yes for loathsome amendments hoping to kill a bill.

The Legislature approved a 22.5 percent tax, and Kott told the jury he considered it a good compromise. "We pretty much split the baby right in half," he said.

SPIRITED CROSS-EXAMINATION

The cross-examination by assistant U.S. attorney James Goeke was heated from the start.

Goeke came close to yelling as he shot off questions rapid-fire about Kott's vote. Wendt objected time and again. And U.S. District Judge John Sedwick told Goeke to slow down, be more patient and stop making speeches.

Prosecutors also dug deep into the legislative record during their cross-examination, trying to show that Kott voted against the 22.5 percent compromise three times on the last day, when the tax measure nearly died.

Even on the final vote, Kott was a "no," switching his vote to the "yes" side only after the tally showed the measure passing.

"You changed it once the writing was on the wall," Goeke thundered. "It's good you did it so you can tell the jury you voted for 22.5."

Kott's lawyer objected.

"There was no jury then to consider," he pointed out.

FBI - Stevens-1223

It was, Goeke noted, the last vote of Kott's legislative career. He lost in the Republican primary two weeks later.

The prosecutor seemed to be portraying Kott as a hold-out for 20 percent until the bitter end -- even when some oil industry lobbyists had started pushing for 22.5 percent in fear a more onerous tax might pass instead.

Untitled

During his cross-examination, Goeke replayed two FBI recordings from the Veco suite.

"Where do you want to take this, Bill? I don't want to jeopardize the gas line but I'll stay on 20," Kott says on a May 8, 2006, recording from Suite 604. Allen testified earlier that oil producers wanted certainty on oil taxes before they would commit to a multibillion-dollar gas pipeline. "Vic will be on 20 and Jay will be on 20 and Foster will be on 20. I don't know how many others will be on 20," Kott said on the recording, referring to Reps. Vic Kohring, Jay Ramras and Richard Foster.

"Tom Anderson," Smith, the former Veco vice president, chimes in with another lawmaker's name.

"Anderson will be on 20," Kott agreed.

Prosecutors also replayed an especially vulgar recording from late in the night of June 8, 2006. The men in Suite 604 spewed out f--- them repeatedly.

Goeke pressed Kott to explain why he assured Allen he'd fight for 20 percent if he was willing to go higher. Kott said he was misleading his Veco friends, choosing to "tell them what they want to hear."

That theme came up several times.

BERKOWITZ DID NOT HELP SWAY VOTE, KOTT SAYS

Wendt asked Kott to explain another secretly recorded conversation in which he boasts that he "outsmarted the fox" -- referring to then-House Minority Leader Ethan Berkowitz -- in order to get Berkowitz to persuade his fellow Democrats to vote the way Veco wanted.

Kott told jurors that he was just trying to impress Allen. He and Berkowitz had had a rational conversation on the House floor. Kott figured Allen was watching live on "Gavel to Gavel" television.

"I didn't want him to get the opinion I was just crawling in bed with the Democrats," Kott testified.

Kott said he also felt bad because he and Berkowitz had a good relationship for years and he had actually tried to deceive Berkowitz a little bit. He said Berkowitz was on his side back in 2005 when he attempted to regain the House speaker post through a coup. It failed.

That's why he talks in the recording about lying, cheating, stealing and selling his soul to the devil, Kott testified.

FBI - Stevens-1224

In reality, Berkowitz didn't do anything to help swing votes the way Veco wanted, Kott said, even though he told Allen that's what happened.

"I think I was trying to get some credit," he said.

At another point in his cross-examination, Goeke questioned Kott about a \$5,000 check from Allen that

Untitled

jurors hadn't heard about before Thursday.

Kott told jurors that Allen loaned him the \$5,000 in 2004 as a down payment on a new truck. He was supposed to pay Allen back once he paid off the truck.

But Goeke pointed out that on Aug. 31, 2006, when the FBI searched Kott's residence in Juneau, Kott told agents that he hadn't done so.

"That sounds like a gift to me," Goeke said.

Kott replied he and Allen had an agreement that Kott would pay the money back when the truck was paid off.

"It could also be characterized as a bribe," Goeke said.

"You can characterize it any way you want; it is not a bribe," Kott replied.

With a few more witnesses to go today, the case may not get to the jury until next week.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344. Find Tom Kizzia at adn.com/contact/tkizzia.

ONLINE AUDIO: Hear court testimony from the trial from ex-Veco CEO Bill Allen and listen in on the FBI wiretaps that have been presented as evidence in the trial.

adn.com/fbi

LIVE UPDATES: Follow Kott's trial from the courtroom by reading updates on our blog.

adn.com/alaskapolitics

Correction: Correction A front-page story Friday about the corruption trial of former Rep. Pete Kott gave the wrong year in which he attempted to regain the post of House speaker. The failed coup attempt was in 2004, not 2005.

Copyright (c) 2007, Anchorage Daily News

FBI - Stevens-1225

Author: LISA DEMER, SEAN COCKERHAM and TOM KIZZIA Anchorage Daily News Staff

Section: Main

Page: A1

Copyright (c) 2007, Anchorage Daily News

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 22, 2007 Saturday
FINAL EDITION

Governor urges Stevens to break his silence; INVESTIGATION: State's senior senator owes Alaskans an explanation, she says.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1115 words

DATELINE: WASHINGTON -

Gov. Sarah Palin said Friday that she and Alaskans are owed a more thorough explanation from U.S. Sen. Ted Stevens about why he is under federal investigation.

"Right now, Alaskans aren't hearing anything," Palin said, adding that she and many of the state's residents are willing to give Stevens more leeway than most people because of the Republican senator's long service to Alaska.

"But not hearing anything in terms of information that can be shared regarding the senator's innocence is kind of frustrating for Alaskans," Palin said in a telephone interview from Anchorage. "Alaskans are getting more anxious to hear any information that he can provide regarding his innocence."

Palin first expressed her concerns Thursday to a reporter with National Public Radio, who spoke to her after she dropped in on the federal corruption trial of former state Rep. Pete Kott. Among the trial's bigger revelations was testimony from former Veco chairman Bill Allen that he or his oil services company financed a substantial portion of the 2000 remodeling of Stevens' Girdwood home.

Palin's remarks took on greater significance when The Associated Press reported later Thursday that Allen agreed to secretly tape telephone calls with Stevens after authorities confronted the Veco executive with evidence that he had bribed Alaska lawmakers. The Washington Post on Friday confirmed the existence of the taped phone calls between Stevens and Allen. It's not clear what was said during the calls, or how many were recorded.

As part of its sweeping inquiry into public corruption in Alaska, the FBI taped thousands of hours of phone conversations between Veco executives and state lawmakers. They also recorded secret video in Suite 604 of Juneau's Baranof Hotel, where Allen and fellow Veco executive Rick Smith plotted with Kott on how to move the industry's preferred version of a new oil tax through the Legislature in 2006.

Nearly two months after federal agents' much-publicized search of the Girdwood house, Stevens has yet to comment on the investigation. He did tell Alaska reporters in Washington, before the July raid, that he paid every renovation bill that was given to him.

Stevens' spokesman Aaron Saunders said Friday that the senator would have no comment, and referred the Daily News to the statement the senator has been issuing since July.

Stevens has maintained that it would be an obstruction of justice to talk about the investigation -- or explain his role in it. In his now-familiar statement, Stevens says, "I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome."

Friday afternoon, when CNN reporters staked Stevens out on Capitol Hill to ask him about the wiretapping, he strode down the hallway of the Hart Senate office building with his suit jacket slung casually over his shoulder. He would not answer questions about the investigation or the reports that the FBI had recorded his conversations with Allen.

FBI - Stevens-1226

"It's a nice day," Stevens said, in response to questions. "I hope you're enjoying it. I'm having a great day."

'ALASKA'S NAME IS MUD'

Palin said her biggest concern about the ongoing corruption investigation, being run by the FBI and Justice Department's Public Integrity Section, is that it continues to make Alaska look as though it's a place where lawmakers can be bought. That's an impediment to developing the state's resources, Palin said, including the development of a natural gas pipeline.

"I think people are just kind of asking about the commitment that Alaskans have to change the political climate up here to a climate where (residents) can trust that the decisions the state government is making are based on the best interest of Alaskans, not due to undue influence," she said.

Other than Palin, most Alaska Republicans have been reluctant to take a public position on Stevens' unwillingness to provide more information. And even fewer want to wade into a difference of political opinion between the country's longest-serving GOP senator and a governor whose election last year represented a changing of the guard in the state's politics.

"Whether the governor or senator or anyone else has an opinion, the wheels of justice are going to turn, and none of us know what the outcome is going to be," said Jim Whitaker, a former Republican state lawmaker who serves as mayor of the Fairbanks North Star Borough.

Rep. John Coghill, R-North Pole, recently attended a gathering of legislators from Western states in Wyoming. He said politicians from other states want to know how Alaska will open the Arctic National Wildlife Refuge to oil development or build a gas pipeline with a cloud hovering over its congressional delegation.

"Alaska's name is mud right now."

He said that he's not passing judgment on Stevens and that it would be wrong to simply hound him for political reasons, but that he also worries about the national backlash against the state.

Others were critical of Palin, including former Rep. Andrew Halcro, a former Republican state representative from Anchorage who ran against her last year as an independent. He said that he'd love to hear what Stevens has to say but that it makes sense for Stevens to keep quiet so it doesn't look as if he's trying to influence the inquiry.

SILENCE ROUSES SUSPICIONS

For many of his constituents, Stevens' non-answers have grown frustrating, and they've created a "whiff of wrongdoing," said state Sen. Hollis French, a Democrat and former prosecutor from Anchorage who co-chairs the state Senate Judiciary Committee.

French said it is time for Stevens to "at least give us his side of the story."

"Like a lot of folks, I think when you hold that job, you hold a public trust," French said. "Your relationship with the public is different than that of an ordinary citizen who gets pounced on by the FBI. It's not obstruction of justice to get in front of the cameras and say 'I did nothing wrong.'"

News that he was the subject of a federal wiretap hasn't changed Stevens' status in the Senate. When his home was raided, at least two government watchdog groups called for him to step down from his powerful committee posts until the federal investigation has been resolved.

But Senate Minority Leader Mitch McConnell, R-Ky., said last month that because Stevens "maintains his innocence" and no charges have been filed, his Republican colleagues will not ask him to step down from committees or refer the matter to the Senate Ethics committee.

Reporter Kyle Hopkins in Anchorage contributed to this story. Read Erika Bolstad and Hopkins on the Alaska Politics blog at adn.com/alaskapolitics.

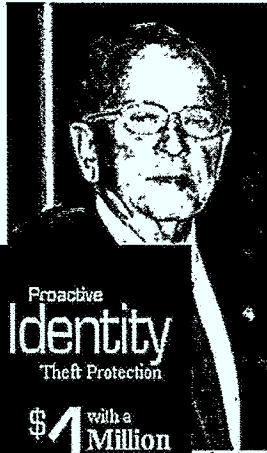
LOAD-DATE: September 26, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Staff

FBI - Stevens-1227

« previous | MUCK HOME



Senate Leaders Mum on Stevens

By Laura McGann - September 24, 2007, 4:57PM

The Senate is certainly a kinder place to mucked-up pols than the House.

Despite testimony last week from former Veco CEO Bill Allen that he bribed Sen. Ted Stevens (R-AK) and news that the FBI taped two of their phone conversations, Senate leaders haven't commented on the legal woes plaguing the longest-serving Republican senator.

That's in stark contrast to how the House leadership has reacted to news of investigations. House Republicans apparently put the squeeze on Rep. John Doolittle (R-CA) to remove him from his committee spots. Democrats gave Rep. William Jefferson (D-CA) the same treatment. Senate Republicans did react aggressively to news of Sen. Larry Craig's apparently this is a much different case.

leader Sen. Mitch McConnell (R-KY) if Stevens should committee assignments in the wake of the scandal. to a July 31 statement, in which he referred to Stevens' in the Senate and said he didn't have "any

Majority Leader Sen. Harry Reid (D-NV) was

on [Sen.] Larry Craig [R-Idaho]. I'm not going ... I'm not going to get into that."

Stevens

PRINT SHARE

ADVERTISEMENT

Proactive Identity Theft Protection with a \$1 Million Guarantee

LifeLock. Guarantee Your Good Name

Learn More

Todd Davis, CEO of LifeLock, and this is my real social security number. 457-55-5462

Comments (6)

M M wrote on September 24, 2007 5:15 PM:

In a backhanded way, Reid equates the Craig scandal with the Stevens scandal! I'm sure Stevens is pleased...

BTW, is it a bad sign that an agency (the FBI) of the most Republican politicized DoJ ends up tapping your phone calls even though you are the longest sitting Republican senator? Ouch...

Ed*ard Teller wrote on September 24, 2007 5:27 PM:

Sen. Lieberman hearted St. Ted this morning in Senate hearings on reforms in the primary process. Stevens sounded particularly tired and tiresome.

FBI - Stevens-1228

194-AA-13620-M; 536

"That's in stark contrast to how the House leadership has reacted to news of investigations..."

If that's the case Laura, why so little action on Rep. Don Young? Is it because the House leadership has been tipped off about aspects of the Young investigation(s) that the general public is unaware of?

phil james wrote on September 24, 2007 5:39 PM:

No surprise that Reid had nothing to say. Reid has nothing to say about anything of real import. But he did allow the vote to condemn MoveOn. What an incredible leader.

global citizen wrote on September 24, 2007 5:40 PM:

Perhaps no action has been taken since it takes so long to get the word down the tubes all the way from Alaska.

Anonymous wrote on September 24, 2007 5:53 PM:

"McConnell referred back to a July 31 statement, in which he referred to Stevens' "four decades of service" in the Senate..."

Four decades of corruption is now a positive asset in our current Senate...

oldtree wrote on September 24, 2007 6:42 PM:

He is my friend and colleague and I can't say anything mean about him or he will tell about my involvement with the Glendale Savings and Iran Contra and Jimmy "primate" Gibbons and his cheese empire.....
dirty boys and girls have a criminal in their midst and won't do anything. looks like they are criminals because they are aiding and abetting a crime or crime figure, protecting and defending same. This is how it would read in language that would be used to prosecute you or I under normal criminal statutes or RICO laws. But they allow this as doing business. It is corrupt and broken, and those benefitting will not make changes when it is so lucrative

prove that the country hasn't been sold. I rest my case.

Post a comment

Name:

Email Address:

URL:

☐ Remember personal info?

Comments:

SEND»

FBI - Stevens-1229

adn.com

Anchorage Daily News

Print Page

Close Window

State on sidelines of FBI investigation into Veco**TAKING NOTES: The attorney general's office won't interfere with the federal investigation.**

By SEAN COCKERHAM

scockerham@adn.com

(Published: September 27, 2007)

Alaska Attorney General Talis Colberg said his office assigned lawyers to closely watch former-state Rep. Pete Kott's trial in federal court over the past two weeks as it revealed other possible criminal acts by politicians and Veco Corp. executives.

Colberg said the attorney general's office isn't ignoring the revelations. But he said the state has to proceed carefully before pursuing its own criminal charges. The broad federal investigation into corruption in Alaska politics doesn't appear to be close to finished. The feds don't want interference from the state, according to Colberg.

"They've made it clear enough that they appreciate us not stepping into the middle of something that's ongoing," Colberg said.

He said the federal government has also declined to share the results of its investigation with the state.

Jurors on Tuesday convicted Eagle River Republican Kott on federal charges of conspiracy, bribery and extortion. Next up are federal trials of former Republican state Reps. Vic Kohring and Bruce Weyhrauch. It's clear the federal government is investigating other Alaska politicians as well, including U.S. Sen. Ted Stevens.

The state is under a lot of pressure to act instead of relying on the FBI to clean up corruption here. The Alaska Public Offices Commission, a state agency known as APOC, has decided to investigate political polls Veco and possibly other companies bought for candidates.

APOC Executive Director Brooke Miles said the commissioners determined that, with all the public scrutiny and seeming unhappiness with APOC's lack of action, they wanted to find out the facts.

There was testimony at Kott's trial that Veco routinely paid for candidate's political polls, including a \$20,000 poll for then-Gov. Frank Murkowski last year before he was a declared candidate for re-election. One of the federal charges against Kott was that Veco illegally bought him a poll.

It's not clear what APOC will do with the findings of its investigation into the other polls paid for by Veco. APOC says it is hindered by the one-year statute of limitations in state law on imposing civil penalties for campaign violations. The polls brought up at Kott's trial are more than a year old.

There is no one-year statute of limitations on criminal charges. APOC doesn't have the authority to pursue criminal matters but could refer its findings to the state attorney general's office. Miles, the APOC director, said that's a possibility.

APOC has only a single investigator. The attorney general's office, while lacking the manpower of the FBI, could call on state troopers and criminal prosecutors for a corruption probe.

FBI - Stevens-1230

MORE THAN JUST POLLS

A pair of Democratic legislators from Anchorage, Les Gara and Harry Crawford, wrote APOC and the state attorney general this week to urge action. They said the state must investigate the polls and other apparent criminal acts that came up in Kott's trial and related federal indictments.

"The scope of this misconduct is unprecedented, and taking no action simply condones this conduct," their letter said.

Gara and Crawford said the illegal acts weren't limited to polls. They pointed to federal indictments in which Veco executives Bill Allen and Rick Smith pleaded guilty to paying "more than \$10,000" in expenses for candidate fundraisers, knowing the money would be ultimately recorded as legitimate corporate expenses.

That violates the ban in state law on corporate contributions to candidates, Gara and Crawford said.

The indictment does not mention which fundraisers were illegal. But former Veco executive Smith testified that he organized many fundraisers, including the annual pig roast for Alaska Congressman Don Young.

'SPECIAL BONUSES'

Smith and Allen also testified about Veco's "special bonus program," where the company would reimburse Veco executives for campaign contributions.

That's also against Alaska law. Gara said that not all the former Veco executives involved in the program are under federal indictment, and maybe they should be under state indictment.

The state should also investigate what legislators besides those charged by federal prosecutors benefited from Veco in violation of state law, he said. So far, all legislators indicted have been Republicans.

"There's a lot the state can do," Gara said.

Gara said the state could pursue criminal charges on issues like illegal polls without interfering in the much broader federal investigation. Gara said, at this point, it looks like the state is doing nothing.

Colberg said he could not comment on any proposed or ongoing investigation. Colberg did not rule out the idea of the state going after side issues such as political polls without messing up the federal probe.

"We do not overlook the idea there is something they may not pursue that we may be able to," the attorney general said.

FBI - Stevens-1231

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

Print Page

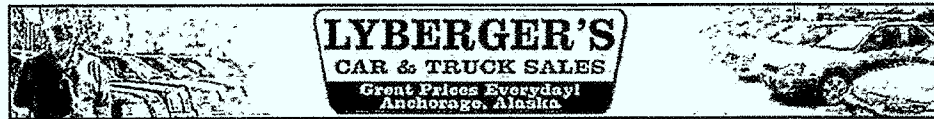
Close Window

Help

ALASKA'S NEWSPAPER

alaska.com

adn.com



Search in All

for

find

News Sports Outdoors Features Money Entertainment Opinion Blogs Multimedia Classified
Home | Alaska Newsreader | Obituaries | Archives Movies | Music | Restaurants | Submit an Event Deals Jobs Homes Cars Rentals

Alaska Politics

Murkowski, Clark respond

Posted by Alaska_Politics

Posted: September 27, 2007 - 11:29 am

From Kyle Hopkins in Anchorage --

This week, we ran a story about political polls paid for by Veco. In the story, pollster David Dittman said that as best as he can remember, former Gov. Frank Murkowski's chief of staff, Jim Clark, had him bill a \$20,000 poll to the company.

Yesterday, the editorial staff ran an opinion piece about the poll.

Clark called this morning with a prepared statement on behalf of himself and Murkowski.

He said:

"The allegations in the editorial are unfounded. Neither Gov. Murkowski nor I instructed David Dittman to do a poll and bill it to Veco. APOC reports show that the Murkowski campaign paid Dittman \$102,000 during the primary campaign."

(Clark had declined to comment for the original story.)

After talking to Clark, I called Dittman and read him the statement.

"Wow," he said. "Wow, wow, wow. Geez, I hate to get into this ..."

I asked if the statement from Clark and Murkowski is true.

"No," he said.

A moment later he added: "The best way to say it is, that's not the way I remember it."

Dittman said he and Murkowski have been friends for 30 years and that in his view, there was nothing wrong with the poll.

He said he remembers conversations with Clark about billing Veco. "There were conversations... as I remember it. That's what I was suggested to do. And that's what we did do."

add new comment

19 September 28, 2007 - 9:26pm | Stumpy1

The totality of the corruption

Every once in a while a writer up in Fairbanks publishes work that is so well written, and insightful, that it must be shared.

The Yates piece below is as good as the piece written by Lori Backes last year in which she first used the moniker, 'Corrupt Bastards Club', or CBC, to describe VECO's corruption of the Alaska Legislature.

VECO stench corrupts GOP
By DOUGLAS YATES

"A fetid smell circulates in the forest this time of year. Rotting vegetation and decaying mushrooms forecast the change in seasons. But there's another odor slapping the faces of Alaskans these days. For many, it's unthinkable, but as details emerge from the federal court house in Anchorage, it's impossible to deny. It's like finding a freezer full of salmon after the power's been off for a week.

The spoiled legacy of Alaska's Republican Party has stained the carpet and mold is climbing the walls. The entire building

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

Kyle Hopkins

Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
E-mail Kyle at khopkins@adn.com.

Sean Cockerham

Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage.
E-mail Sean at scockerham@adn.com.

Erika Bolstad

Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C. for McClatchy Newspapers. Before joining the bureau this summer, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature.
E-mail Erika at ebolstad@adn.com.

Archive

PENCO plant (no, not that Penco)
- 10/1/2007 3:37 pm

New sheriff in town? - 10/1/2007 3:22 pm

One Down - 10/1/2007 1:13 pm

More on Coconut Road - 10/1/2007 11:31 am

Hungry constituents - 10/1/2007 11:15 am

UPDATE: Ben Stevens on Fagan show audio
- 9/28/2007 3:59 pm

APOC monday - 9/28/2007 2:05 pm

Murkowski, Clark respond - 9/27/2007 11:29 am

Final thoughts on Kott - 9/27/2007 10:47 am

Stevens talks about Palin, Allen, bridge money - 9/27/2007 10:33 am

Ethics complaint over Coconut Road earmark
- 9/26/2007 7:28 pm

Colberg and the Kott trial - 9/28/2007 7:23 pm

Pools & the budget - 9/25/2007 6:17 pm

Kott guilty on three of four counts
- 9/25/2007 3:05 pm

Verdict reached in Kott case
- 9/25/2007 2:48 pm

Juror: Please replay Exhibit 15
- 9/25/2007 2:35 pm

Assembly: Pools, poo, money and ethics



Alaska's Top Jobs

all 87 top jobs

Nursing
Nurse Practitioner
Planned Parenthood of Alaska
Driver/Transportation
Driver
Corporate Express
Human Resources/Recruiting
Human Resources
Adak Telephone Utility Anchorage
Human Resources
HR Compliance Specialist
Hope Community Resources
Professional
Controller
Adak Telephone Utility Anchorage

careerbuilder

Search Jobs | Place an employment ad

Homes By Coldwell Banker

more

4314 S. Pinnacle,
Wasilla
Virtual Tour Available



7 of 15

Homescape

find

Search ADN Real Estate | Place a homes ad
Realtor Market Place | Valley Real Estate Guide

Top Rentals

more

Terrace On The Lake
West Anchorage: A pleasant
setting and voluminous
floorplans will put your mind
and body at ease.



6 of 12

may need to be demolished if there's any hope of recovery.

Here's what we know. Until the FBI raided Juneau, the sellout of Alaska was a crime in progress. The state's oil and fisheries resources, as well as our integrity and sovereignty, were being auctioned off by predatory capitalists and their hired stooges. The bribery conviction on Tuesday of Pete Kott, the former Speaker of the House, confirms what many have known for years.

VECO was an oil field contractor. Its former chairman, Bill Allen, and Rick Smith, his lieutenant, made more than \$400,000 in payoffs to elected officials. Their testimony and FBI evidence has implicated many current and former state and federal legislators for accepting bribes and favors for official actions or access.

So far, they include: state Sen. John Cowdery, former state representatives Bruce Weyhrauch and Vic Kohring, and former state Sen. Ben Stevens.

Rep. Don Young and Sen. Ted Stevens are under similar investigations. Another former legislator, Tom Anderson, was recently found guilty of accepting bribes. Anderson's wife, state Sen. Lesli McGulre, is being investigated for conflict of interest in another matter. Randy Ruedrich, Republican Party chair, was fined for political organizing while working for the state.

The major conspiracy appears to subvert legislation to the benefit of Alaska's big three oil companies, ConocoPhillips, Exxon and BP. In a phone call taped by the FBI, Allen and Jim Bowles, president of ConocoPhillips Alaska, talk about working behind the scenes to keep tax rates below a certain number.

Perhaps that's why ConocoPhillips is running diversionary TV spots headlining the chump change it throws at Creamer's Field Migratory Waterfowl Refuge and Potter Marsh. "Environmentalists" greenwashing Big Oil's white-collar crimes epitomize the depth of its influence.

Sen. Ted Stevens is the longest-serving Republican in the Senate, and fish rot from the head down. His careless lack of attention to the power of his office, his single-minded focus on grabbing money for Alaska while ignoring ethical standards, has attracted flies. It's time to clean camp.

Who in their right mind would allow VECO to act as his agent on a home-construction project? It's been an open secret for years that Allen's money greased the skids in Juneau. Did Uncle Ted think we were all blind?

A senator with a grasp of his place in the arc of history would have used his current term to groom a replacement. But at 84, Stevens has no protégés because there is no accountability in the Republican Party.

It's a free-for-all. Everyone is on their own; steal as much as you can carry. According to Allen, Ted's son Ben took more than \$240,000 of VECO money while serving in the Legislature. Largely unmentioned yet is the \$900,000 funneled to the younger Stevens in fees for allocating federal grants to seafood companies. Father and son wallowed in a moral cesspool and thought it smelled like roses.

Not to be outdone, Sen. Lisa Murkowski showed her family colors with a sweetheart deal for prime Kenai River property. It was sold to her by Bob Penny, a wealthy developer with a stake in fisheries legislation. When it was made public, Lisa denied special advantage but was soon overcome with buyer's remorse. She quickly dumped the property, but voters must wait until 2010 to express their regrets.

Rep. Don Young has been throwing federal transportation money around the country like a silage farmer spreading manure, apparently expecting a return on the investments. Young's \$10 million Florida highway earmark was rejected by locals, except for a nearby landowner who sent \$40,000 to Don's re-election campaign. With an investigation under way, Young is spending \$250,000 for lawyers to shrink the stink.

Alaska's Constitution is a model of open government, but that didn't protect it from being sold down the river. Today's Republican Party is a club of glad-handers, thieves and liars, people who appear sincere then stab Alaskans in the back. Voters and the press, however, can't escape blame.

Malfeasance grows in a climate of apathy and weak journalism; it's a cancer that undermines Alaska's future. The cure is more sunlight."

Yates has made this work available for distribution. Copy/paste and email it to your friends.

This piece was also picked up and published by the News-Miner today, at the following link:

<http://newsminer.com/2007/09/28/9086>

reply »

13 September 28, 2007 - 8:45am | jewar79

The Murkiski -Clark pollster claims

First of all there are sevriol reasons to open an investigation under the entire Murkey administration period. We can only hope that he and his are not allowed to just walk away from office in a very few short hours and never to be heard of until now ! think about that statement. We have heard excessive amount of news -information to be aware that his admign, has a lot of un answered questions. We are 100% positive that a full investigation should be administered byt under the FBI, because every state investigation against the state or its peole will anyways be tainted and in the state favor. As a 56 year citizen of Alaska ,we demand an full federal investigation be done ASAP. This guy came in here from WA Dc and trashed every senlor as his very first administrative act.

- 9/25/2007 2:27 pm

Notes from the Jury - 9/25/2007 11:43 am

Jury quits for the day - 9/24/2007 4:56 pm

To the Jury - 9/24/2007 12:24 pm

More commentary from Inside Courtroom 3

- 9/24/2007 9:28 am

Veco polling - 9/23/2007 6:57 am

full archive »

apartments.com
Advanced Search | Place a rentals ad

Top Autos

all autos

Affordable Used Cars - Anchorage



2005 GMC Canyon
\$18,994
Affordable Used Cars -
Anchorage

9 of 10 ►

Powered by cars.com

Search for a New or Used Car | Place an auto ad

FBI - Stevens-1233

reply »

17 September 28, 2007 - 12:50am | pp05416

KYLE

Why is the link to the Article "Big oil fights change in tax" currently sending this message?
"Internal Server Error"

The server encountered an internal error or misconfiguration and was unable to complete your request.
Please contact the server administrator, support@nandomedia.com and inform them of the time the error occurred, and anything you might have done that may have caused the error.

More information about this error may be available in the server error log."

This really worries me.

reply »

September 28, 2007 - 11:31am | Alaska_Politics

Link

I don't see the link ... where did you originally see it?

Kyle

reply »

September 28, 2007 - 3:57pm | hey_georgie_girl_98

Where did you move the article on Big Oil?

Where did you move front page articles after they get bumped?

reply »

September 28, 2007 - 11:50am | leowassilie

fixed

It's fixed now.

probably a misaligned link.

reply »

16 September 27, 2007 - 8:36pm | akailegro

Kyle

does ADN have any ongoing attempt to get a response from Jim Clark and Governor Murkowski regarding the Jim Bowles and Bill Allen recording?

Bowles reveals in that recording that he is privy to Clarks schedule as it pertains to the Legislature and PPT. Bowles states that Clark has informed Bowles that he has scheduled a meeting with Representative Kelly.

Bowles tells Allen regarding that meeting "if thats the only contact he's made then thats OK" and its "OK because he (Clark) felt that Harris had asked him to have that meeting".

Those quotes from the conversation establish that the Governors chief of staff was revealing to Bowles who he was contacting in the Legislature regarding PPT and in addition was assuring Bowles that he would not have additional contact with other legislators.

I would ask Clark:

Why was he sharing with the president of Conoco Phillips, Information about who in the Legislature he was meeting with to discuss PPT, when they are one of the very company's PPT was going to affect? Also, why did Clark feel compelled to assure Bowles that he would not have any other contact with legislators regarding PPT?

I would also ask Murkowski if he was aware that his chief of staff was sharing this type of info with Bowles and making commitments to him regarding who he would and would not have meetings with.

Has anyone at ADN submitted the same line of questioning to Bowles?

Another nugget that is revealed in that same conversation? Bill Allen states that he is aware of what Rep. Kelly said to Clark during that meeting. The meeting happened the very morning the phone conversation was recorded so somebody was updating Allen very quickly.

Is ADN pursuing Kelly as to why Bill Allen would have that information? Allen doesn't make it clear if he got the info from Kelly or Clark. Perhaps there was someone else in the meeting?

Given the Ruedrich incidents and Clarks failure to respond then, this issue certainly seems like it warrants the ADN's close scrutiny. I hope there is someone working on it.

Relentlessly.

reply »

September 28, 2007 - 11:23am | Alaska_Politics

Akalegro,

Editor Pat Dougherty talks about that recording on his blog ... [click here](#).

Kyle

reply »

FBI - Stevens-1234

September 27, 2007 - 10:14pm | sewinds

While you're at it Mr. Hopkins.

Could you look into the special interest groups and their lobbyists who are advising Palin on gasoline issues? Who's advice she's taking and who she refuses to talk to. With declining oil field production and investment and a huge economic disaster coming Alaska's way it seems that Palin's advisers, her special interests and their lobbyists need closer scrutiny.

reply »

15 September 27, 2007 - 7:00pm | Natalie_O

Where I sit, Palin is not the worry right now

Unless Palin does something unethical and dishonest, or criminal, she will remain Governor until her term expires. We can't change that and we have to deal with it. Personally, I think her actions so far are uncomparable to those of her predecessor, as if to say, I think she's doing a fair job. As for Murkowski, you people had voted for him in the past, not me, so you need to lay in your own bed. I have a clean conscience about that, besides, its too late to do anything about M. He should have been removed from the position long before his term expired. But right now, we have to get this corruption mess cleaned up first before we can move forward, with our without Palin. What bothers me more than Palin is the fact that we have an unethical and corrupt DC Senator and the same for a DC Congressman, of which both have not been charged with anything even though testimony has come out in the trials that would dictate that some form of legal action is required and needs to be taken. To me, this is more troubling than anything going on with Palin.

reply »

14 September 27, 2007 - 6:30pm | BravoSierra

Murky and Clark are banished

Now get rid of this guy-quick

<http://www.adn.com/front/story/5572779p-5504444c.html>

reply »

13 September 27, 2007 - 6:36pm | leowassilla

I wonder

wow.
wOw.
woW.
Wow.
wOW.
WoW.
WOw.
WOW!

A man of many words.

reply »

12 September 27, 2007 - 3:57pm | windham

Pathological Liars

Jim Clark and Frank Murkowski are professional, pathological liars, always have been, always will be. Putting them under oath will make no difference. Dittman is obviously the truth-teller in this matter.

reply »

September 27, 2007 - 5:45pm | Ter_H

Blunt and

accurate.

reply »

September 27, 2007 - 11:07pm | seewhy

he should have just had jim say

that he paid every bill for polling he was presented with.

reply »

September 28, 2007 - 5:44am | realist

Good one there

Was going to say this earlier, but today's ADN editorial beat me to the punch -- legally, I'm not sure if it matters too much whether Murky himself asked for the poll. If he accepted it, then that's some kind of violation right there. Seems like Clark is already doing the lawyerly word-parsing thing. And it makes me wonder -- how come nobody's lining up to give ME \$20,000 gifts???? How do we regular people get in on this gig?

reply »

September 28, 2007 - 10:47am | HD

Simple...

We're not Bill Allen's "friend." Murky, Kott, Kohring, Don, Ted and Ben, etc. WERE his

FBI - Stevens-1235

friends. Isn't it sad to see a friendship end?

reply »

September 29, 2007 - 8:00pm | pp05416

The only time I can remember Murky getting

off his a** In the Senate, he sponsored one bill that is the reason direct deposits to my credit union account now don't get posted until Friday rather than Wednesday. (Unfair competition to his banking lobby who make extra \$\$\$ on the money market!) The other is when Daschle wrote a bill to open NPR and Murkowski, seeing that he might get flack for neglecting his duty, started whining that he should be a co-sponsor. Murky is part of the Big Oil conspiracy to lock up our petroleum resources, so they can control the prices in America and greatly increase profits. All the while blaming "greenies". Prison is only too good for him. After that he became governor and bent over backwards every time multinationals came a callin'.

reply »

11 September 27, 2007 - 2:45pm | Stags_Leap

Palin-bots

the prom queen needs to start governing the state -and actually do something other than issuing press releases and blaming Frank for everything.

That's the downside to this entire scandal. Everyone is focused on the CBC and other investigations, and no one is paying attention to what the hell is happening in the Gov's mansion -or should I say in the Valley. The PPT is a fiasco, MatMaid is a joke, and AGIA is doomed to fail....

reply »

September 27, 2007 - 8:18pm | BravoSierra

first things first

I am amazed you haven't yet blamed the "Prom Queen" for global warming.

How about cleaning out all the dirt/crooks and then starting to get our house in order?

You are sinking to the same level of credibility as bobbyt. Not yet, but you are getting closer.

reply »

September 27, 2007 - 7:12pm | Stags_Leap

the point my little Palin-bots

is that others' mistakes in the past are giving your queen a free pass to do nothing. Sure - they should all burn in hell.

But I am more concerned with today -and the decisions she is making now -or lack of decisions -on running the state. PPT, MatMaid, and AGIA are just the tip. What about domestic violence rates in this state? What about affordable health care for children in this state? What about doing something to improve the standards of living for all Alaskans - instead of empty rhetoric through press releases that piggyback on to the demise of the CBC boys?

reply »

September 29, 2007 - 8:45pm | pp05416

More likely

BP-bots, Conoco/Phillips-bots, and Exxon-bots. Idole-bots, Princess Cruise-bots, etc.. You put the ads up - I do as you say masters or I'm destined to suffer your wrath! By the way Stags, when have any of your concerns been addressed in the past. There's no money in the offing for the CBC boys.

reply »

September 29, 2007 - 9:54pm | glld

You Forgot

Oil-Can-Dan Fagan-bots. :-)

reply »

September 27, 2007 - 9:18pm | barracos_pizza

What is this?

Is this some kind of spam bot?

reply »

September 27, 2007 - 7:41pm | rfn

And besides....

Being governor is a man's job!

reply »

September 27, 2007 - 10:42pm | sewinds

Palin mismanagement syndrome

FBI - Stevens-1236

Being governor is a FULL-TIME job. It's blatantly obvious Palin's not focused as she chases one crises after another instead of being in front of them.

reply »

September 28, 2007 - 10:14am | rfn

However....

Being Mayor of Anchorage is also supposed to be a FULL-TIME job but the occupant moonlights as a radio talk show host. Perhaps you'd feel better about the governor if she'd take up talk show hosting, too?

Oh, but wait! I forgot....the boy mayor is male and therefore possessed of super powers so can handle multiple jobs.....but the governor refuses to shed her shoes or get pregnant.

reply »

October 1, 2007 - 10:20am | AK_Lady

Ha!

I'd pay to hear Palin host talk radio!

Can you imagine?

reply »

October 1, 2007 - 10:50am | rfn

Ambiguous but fun to guess....

Whether one might imagine Palin hosting talk radio?

Whether one might imagine you paying for something instead of relying on government to provide it free?

One is more believable than the other....question is, "which"?

reply »

October 1, 2007 - 11:53am | AK_Lady

Huh?

What is it you think I reply on government to pay for? Talk radio?

reply »

October 1, 2007 - 12:49pm | rfn

Anything

that government might be willing to pay for.

But that was choice #2....

I really had expected you to choose #1.

reply »

September 28, 2007 - 0:01pm | F_Firkle

One day, rfn, should we ever

One day, rfn, should we ever meet, I shall make an effort to buy you a beer, or whatever fits the bill at that moment.

I've appreciated your clarity, dry sense of humor, and thoughts.

Cheers. And keep up the good work. ;^>)

reply »

September 28, 2007 - 10:40am | sewinds

The Palin Show with no edits

Ooh Baby. Like she can put thoughts together into one cohesive sentence also? She'd have to talk about more than just Piper's toothbrush and the bad ethics of everyone else but herself and anonymous bloggers and would have guests (her "special-interest" advisers and people from the valley) to fill the dead empty air.

Get real. Palin's a soundbite kind of gal. Erratic and scatterbrained.

reply »

September 28, 2007 - 10:23am | akgen

ah rfn you keep forgetting,

"chained to the stove".... I really don't understand how you of all people could forget this detail!! just joking. I did post a owl soup recipe a while back ... did you get it?

reply »

September 28, 2007 - 12:20pm | Stags_Leap

where's the humor?

FBI - Stevens-1237

I have to quote Bacon -which seems rather appropriate for the two of you -stoking your own jokes.

"Imagination was given to man to compensate him for what he is not; a sense of humor to console him for what he is."

reply »

September 28, 2007 - 12:33pm | akgen

Staggering while leaping,
lets hope it doesn't ruin the rest of your day.

reply »

September 28, 2007 - 3:43pm | rfn

To the extent
that such deep concern over nonsense built upon the original nonsense kept one person from jaywalking.....it was a massive success!

reply »

September 28, 2007 - 3:52pm | akgen

jaywalking ?

I hate to counterpoint or disagree with some of your fine words, but don't you mean, jayleaping? lol.

Anyhow, I guess Palin and Galvin will be on the radio this pm - 4 oclock hour on kudo1080. They're going to talk ACES and why not "go for the gross".

reply »

September 28, 2007 - 3:59pm | rfn

Jayleaping is not a problem

so long as the leaps are of sufficient breadth to go from one side of the street to t'other without touching down in the middle or bouncing off the roof of a passing police car.

I guess I'll have to read about the Palin/Galvin stuff; just tried again to tune KUDO, even in the truck which has a pretty decent radio. Just not enough signal. Now if they had some union technicians maybe things might be better?

But, alas, a union-owned station whose staff is not unionized.

reply »

September 28, 2007 - 4:06pm | akgen

Use the internet

and listen online. kudo1080.com. Thats what I got to do. I've not the antenna strength to receive it. Oh well. However I do want to know why she was dragged away from the gross kicking and screaming.

reply »

September 28, 2007 - 4:20pm | rfn

Thanks!

I wish it worked....but it didn't. I did manage to get to the station's website and, after a little stumbling, found a "Listen Live" "button".

It caused the browser to churn and churn and churn and then to crash. Not only the browser, the entire cable modem! Had to restart the browser, the computer, and finally the modem just get back here. Then I tried it again....which is why I was away so long. This time it just timed out.

I'm no fan of this "ACES" thing. Anything much more complex than basing a tax on the gross is just inviting chicanery. The rate doesn't bother me....make it whatever great minds agree upon....but make damn sure the determination of what's owed is simple and as near to possible as being diddle-proof!

reply »

FBI - Stevens-1238

September 28, 2007 - 12:23pm | scewhy

mmmmmm.
bacon.

reply »

September 28, 2007 - 1:38pm | Stags_Leap

or
Instead of "imagination" in that quote I should use "the ADN
Blog" -as you Palin-bots obviously got some serious issues.

Let me know when Palin does something other than screw up
MatMaid, the PPT, or AGIA. Her press releases are meaningless.

reply »

September 28, 2007 - 9:29pm | barracos_pizza

PPT..

Okay Stags, you're right. PPT is fowled up. We need to get to
the bottom of this Palin PPT connection now. Let's send in a
team of investigators.

Let me see, was Governor Palin the governor when PPT was
enacted? I think I would first check the last number in the
year PPT was passed, and the year when she was inaugurated
which is 7.

Let call up some of my "deep throat " connections in the
Gov't and see if I can get any information.

reply »

September 28, 2007 - 1:50pm | sewinds

Sound of silence

LOL. You're going to wait a long time Stags. Palin can't even
get Piper to brush her teeth.

reply »

September 28, 2007 - 10:29am | rfn

No, No, NO!

Can't keep 'em chained to the stove! A chain long enough to let 'em get
to the backyard to split the firewood would damage the vinyl on the
kitchen floor! Worse, it would wake the master of the house from his
nap.

Thanks for the recipe....though it turned out I didn't need it. My son
found the box of "Spotted Owl Helper" I gave him way back when.

Any takers for the recipe for the special sauce as made on The Seward
Peninsula?

reply »

September 28, 2007 - 10:42am | alken

vinyl ?

must be nice... but plywood holds the heat in better, but I suppose
vinyl helps avoid wood splinters in the tootsies. lol

That whole conversation about 'special sauces' started a entirely new
set of recordings from grams on good foods, from "way back in the
day".

reply »

September 28, 2007 - 10:48am | rfn

Vinyl over plywood!

Ya gets it both ways....no splinters and it does allow the use of
somewhat longer chains as it mildly controls some of the noise.
Now if somebody would just invent a light-weight vinyl covered
chain the concept of "chained to the stove" might work whilst
still allowing enough length for the wench to reach the woodpile!

Besides, wood floors imply hiring a flooring contractor who deals
in hardwoods! Any reader of this blog KNOWS that all hardwood
floor installers are corrupt.

reply »

September 28, 2007 - 11:20am | prey

ovaries,

both these chicks got them. And a pair of chain cutters and

FBI - Stevens-1239

link crimpers. I wouldn't put it beyond them to cut those chains off and recrimp them to another unsuspecting ankle.

reply »

September 28, 2007 - 3:57pm | akgen

hey prey,

How about some of them old cb radio jokes you used to do? Sometimes we need a good laugh around here.

reply »

1 2 next > last »

© Copyright 2007, The Anchorage Daily News, a subsidiary of The McClatchy Company *Inc.*

[Contact Us](#) | [Newsroom Contacts](#) | [Communication Forms](#) | [Subscriptions](#) | [Advertising](#) | [Terms of Use](#)

[Daily News Jobs](#) | [RSS Feeds](#) | [ADN Store](#) | [Newspapers In Education](#) | [Privacy Agreement](#)

A member of the
Real Cities Network

FBI - Stevens-1240

Help

ALASKA'S NEWSPAPER

alaska.com

adn.com



Anchorage Daily News
ELECTRONIC EDITION
THE COMPLETE PAPER, DAILY

Get your paper online!

To sign up: [CLICK HERE](#)

Search in All

find

News Sports Outdoors Features Money Entertainment Opinion Blogs Multimedia Classified
Home | Alaska Newsreader | Obituaries | Archives Movies | Music | Restaurants | Submit an Event Deals Jobs Homes Cars Rentals

Alaska Politics

Murkowski, Clark respond

Posted by Alaska_Politics

Posted: September 27, 2007 - 11:29 am

From Kyle Hopkins in Anchorage --

This week, we ran a story about political polls paid for by Veco. In the story, pollster David Dittman said that as best as he can remember, former Gov. Frank Murkowski's chief of staff, Jim Clark, had him bill a \$20,000 poll to the company.

Yesterday, the editorial staff ran an opinion piece about the poll.

Clark called this morning with a prepared statement on behalf of himself and Murkowski.

He said:

"The allegations in the editorial are unfounded. Neither Gov. Murkowski nor I instructed David Dittman to do a poll and bill it to Veco. APOC reports show that the Murkowski campaign paid Dittman \$102,000 during the primary campaign."

(Clark had declined to comment for the original story.)

After talking to Clark, I called Dittman and read him the statement.

"Wow," he said. "Wow, wow, wow. Geez, I hate to get into this ..."

I asked if the statement from Clark and Murkowski is true.

"No," he said.

A moment later he added: "The best way to say it is, that's not the way I remember it."

Dittman said he and Murkowski have been friends for 30 years and that in his view, there was nothing wrong with the poll.

He said he remembers conversations with Clark about billing Veco. "There were conversations... as I remember it. That's what I was suggested to do. And that's what we did do."

[add new comment](#)

September 27, 2007 - 6:11pm | gillid

Stags_Leap

Was Governor Palin mentioned in this article? I've read it twice now; both times it seems to be only about Murkowski, Clark and polls conducted by Mr. Dittman.

Did I miss something?

[reply »](#)

September 27, 2007 - 6:28pm | sewinds

Good point Gill

What about ALL the polls Big-Boy Dittman has done for Palin during and after her campaign? Did he share them with her? You know, during the campaign? Did she disclose ALL of them as campaign donations? How much? Since becoming governor BB Dittman has been polling. Is he sharing them with her? How much? Palin disclose these gifts too? Were is the report on gifts to the governor?

[reply »](#)

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

Kyle Hopkins

Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
E-mail Kyle at khopkins@adn.com.

Sean Cockerham

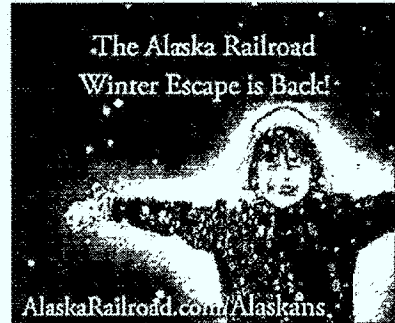
Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage.
E-mail Sean at scockerham@adn.com.

Erika Bolstad

Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau this summer, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature.
E-mail Erika at ebolstad@adn.com.

Archive

PENCO plant (no, not that Penco)
- 10/1/2007 3:37 pm
New sheriff in town? - 10/1/2007 3:22 pm
One Down - 10/1/2007 1:13 pm
More on Coconut Road - 10/1/2007 11:31 am
Hungry constituents - 10/1/2007 11:15 am
UPDATE: Ben Stevens on Fagan show audio - 9/28/2007 3:59 pm
APOC monday - 9/28/2007 2:05 pm
Murkowski, Clark respond - 9/27/2007 11:29 am
Final thoughts on Kott - 9/27/2007 10:47 am
Stevens talks about Palin, Allen, bridge money - 9/27/2007 10:33 am
Ethics complaint over Coconut Road earmark - 9/26/2007 7:28 pm
Colberg and the Kott trial - 9/26/2007 7:23 pm
Pools & the budget - 9/25/2007 8:17 pm
Kott guilty on three of four counts - 9/25/2007 3:05 pm
Verdict reached in Kott case - 9/25/2007 2:46 pm
Juro: Please replay Exhibit 15 - 9/25/2007 2:35 pm
Assembly: Pools, pco, money and ethics



Alaska's Top Jobs

all 87 top jobs

Professional
Senior Appraiser
Municipality of Anchorage

Aviation
Stock Clerk
Lynden Air Cargo, LLC

Admin Support Services
Program Project Coordinator
Assist Alaska Network on Domestic Violence and Sexual Assault

Computer/IT
Web Developer
Alaska USA Federal Credit Union

Health Care Services
Clinical Supervisor
Southcentral Foundation

careerbuilder

Search Jobs | Place an employment ad

Homes by Coldwell Banker

more

23346 Creek Rd.,
Chugiak
Virtual Tour Available



14 of 15

Homescape

find

Search ADN Real Estate | Place a homes ad
Realtor Market Place | Valley Real Estate Guide

Top Rentals

more

Foxwood Condominiums
South Anchorage: heated
garage parking, woodburning
fireplaces, shopping and fine
dining nearby!



3 of 12

FBI - Stevens-1241

September 27, 2007 - 7:28pm | gilld

Tutorial

Excuse me if this posting sounds overly much like a lesson, as that is what I do in my professional life and I sometimes fall into the habit post-workday. Let me just post this hyperlink to a tutorial on hyperlinks.

You can use hyperlinks to give the reader a clickable link to another web site where you, the poster, have found information that you want the reader to, uh, read. The reader, then, is able to verify what it is that you, the poster, are stating or claiming.

For example, you could hyperlink to a site listing "...ALL the polls" Mr. Dittman (I don't know him personally and so can't refer to him as "Big-Boy") has done for Gov. Palin. Or you could link your reader to a site detailing Gov. Palin's gifts, or the APOC documents showing her (or any politician's) campaign contributions.

Or are you just asking rhetorical questions in your postings?

reply »

September 27, 2007 - 10:26pm | sewinds

More rhetoric

You'll have to excuse me gilld. I'm new to this blog thing and remember when typewriters were the only machines around. Good ideas about the links to the polls and the gov's gift report on her website. (I didn't find anything close on her website.) Enjoy your youth gilldy.

reply »

September 28, 2007 - 6:27pm | gilld

Thanks, sewinds

But the important question I (and perhaps others) have: did you find *anything* you could link us to? Poll reports, gift reports, anything? Anything that would support, or not support, the claims you make in your posts?

And an additional thanks: I did enjoy my youth! It's just possible I may have a year or two on you, sewinds. Just this week I completed paperwork for my second retirement from working life: yep, I'm a double-dipper. And son-of-a-gun, I learned to type on manual typewriters, too! And when personal computers became widely available, learned how to use them (also discovered this feature called a spell checker; I recommend it to all my friends).

reply »

September 27, 2007 - 6:16pm | HD

All symptoms are present...

Stags is suffering from PDS - Palin Derangement Syndrome. Apparently incurable. Sad. Let's hope the suffering won't be long...

reply »

September 27, 2007 - 6:58pm | gilld

True, HD

Stags (and sewinds, too) do suffer mightly from PDS. I'm sure the Service High School quarterback's recent broken leg will be shown to have been caused by Sarah Palin, no, really!

reply »

September 27, 2007 - 7:05pm | Ter_H

Sarah did NOT cuase the quarterback's leg to be broken.....
because it is Frank's fault. ;-)

reply »

September 27, 2007 - 7:20pm | gilld

...And Clark!

:-)

reply »

September 27, 2007 - 7:47pm | Ter_H

Ding!

HaHa.

reply »

10 September 27, 2007 - 2:44pm | hay_georgie_girl_98

Murkowski, Clark respond

- 9/25/2007 2:27 pm

Notes from the jury - 9/25/2007 11:43 am

Jury quits for the day - 9/24/2007 4:58 pm

To the jury - 9/24/2007 12:24 pm

More commentary from Inside Courtroom 3

- 9/24/2007 9:28 am

Veco polling - 9/23/2007 6:57 am

[full archive »](#)

[apartments.com](#)

[Advanced Search](#) | [Place a rentals ad](#)

[Top Autos](#)

[all autos](#)

Affordable Used Cars - Anchorage



2004 Chevrolet Tracker
\$11,994
Affordable Used Cars -
Anchorage

9 of 10 ►

Powered by [Craigslist](#)

[Search for a New or Used Car](#) | [Place an auto ad](#)

FBI - Stevens-1242

Sworn testimony, under oath vs. a prepared statement.

reply »

9 September 27, 2007 - 2:36pm | Stags_Leap

pointless

It's a he said -she said issue. And the state laws are so vague on this issue anyway -It's not something that would send Frank to jail -even if they could show VECO paid for \$20K in polls. He would do a Don Young and revise his his campaign reports.

This is a non issue.

reply »

September 28, 2007 - 9:17pm | F_Finkle

A non issue? Perhaps so.

A non issue?

Perhaps so.

But if it's shown that he and Marquez conspired when APOC was reportedly instructed by Marquez to not investigate Ray Metcalfe's complaints about Benny Stevens, then perhaps a federal conspiracy or obstruction charge might stick.

And that's assuming that no evidence is uncovered re. 'other gifts, promises, or payments' that VECO or others might've slopped frankie's way.

Then there's that letter from Murky's office to U.S. Sen. Pete Domenici, then chair of the Senate Energy Committee (and currently also under investigation), stating that GW's plan (page 118 of Shrubco's energy bill that year) to empower the Secretary of the Interior to waive up to 100% of revenues from drilling in NPR-A was just fine and dandy, as it would be one method of "stimulating exploration and development on the North Slope." A field that was surveyed as having 13 Billion recoverable barrels of oil (as of approximately 3-4 years ago).

Murky's dirty, in my opinion, and I hope that he fries hot.

reply »

8 September 27, 2007 - 2:08pm | edgefinder

Vegas should be making odds on this.

Indictments pay 3 to 1.

and 10 to 1 Frank walks the plank.

Or I guess would those odds be too generous?

I guess it depends on how the syncophants bet.

reply »

September 27, 2007 - 2:22pm | leowasslife

Kinda like..Nenana Ice Classic

The real odds should be placed in these guys not only getting indicted, but in them getting PARDONED before GW leaves office.

Tune in.. December 26, 2008.

reply »

September 27, 2007 - 10:05pm | barracos_pizza

Yeah, talk to the

Yeah, talk to the oddsmakers. See if they can cut a deal to get the federal taxes in on it , too.

And how about do those football chance polls for the numbers on the sentences.. \$5 bucks sign a square at your local cantina. Voc, Pete,TA, Weyrach, any number of 'em. Double digit sentencing splits the pot between the digits.

reply »

7 September 27, 2007 - 1:26pm | Ter_H

Clark is a POS that, along with Murkowski, have.....

done more to harm our State than 100 Rick Smith's and Bill Allen's combined.

reply »

5 September 27, 2007 - 12:00pm | leowasslife

Moment...

Pete Kott \$2,000

Frank Murkowski \$20,000.

These guys claiming innocent.. priceless!

reply »

4 September 27, 2007 - 12:48pm | Alaalik

FBI - Stevens-1243

APOC?

Simple matter. Get Dittman's Invoice records, and VECO's accounts payables or Allen's checking account statement.

reply »

3 September 27, 2007 - 12:45pm | raingod

\$102K

Wow - \$102,000. I thought he only worked on the campaign for a few months:
<http://community.adn.com/adn/blogs/thetrail/dittman>

reply »

September 27, 2007 - 8:24pm | seewhy

102,000, just on polls

and the incumbent governor came in a distant third in a closed primary. blows my mind, man.

reply »

2 September 27, 2007 - 12:43pm | leowassille

pffft.

These guys are priceless.

reply »

1 September 27, 2007 - 12:22pm | adnak

VECO-Gate!

What are we going to call this sad episode in Alaskan history?

VECO-Gate.

This whole sick era of seeing our legislative representation crumble needs a name for posterity?

VECO-Gate!

What we will we name this shameful period, for history, so that all Alaskans need to just hear it mentioned to know exactly what people are talking about many years from now?

VECO-Gate!

So that it never happens again, and Alaskan pols shudder when they are offered a chance to go astray with our trust?

VECO-Gate.

reply »

September 27, 2007 - 5:13pm | staufen

Maybe it's VECO-DOME

the Thunder cage where lying politicians fight it out - where "two enter, only one leaves" ...

Clark is sitting on the shoulders of the Frankenonsense, Dittman puts them down ...

reply »

« first < previous 1 2

adn.com

Anchorage Daily News

Print Page

Close Window

Senate panel asked to take new look at Young's Florida earmark**FLORIDA: Highway money may be unconstitutional, critics say.**

By GREG GORDON

McClatchy Newspapers

(Published: September 27, 2007)

WASHINGTON -- A watchdog group asked the House ethics committee on Wednesday to investigate how a \$10 million earmark for a Florida highway interchange, which was backed by Alaska Rep. Don Young, was inserted into a bill that already had won final congressional approval.

In a letter to the committee's leaders, Ryan Alexander, president of Taxpayers for Common Sense, called "the actions taken by Young's staff ... an apparent violation" of the Constitution that undermined the integrity of the House of Representatives.

"In the absence of an accounting and explanation, the public is left to assume the worst, further degrading the already low public regard for Congress," Alexander wrote the committee chairwoman, Rep. Stephanie Tubbs Jones, D-Ohio, and the ranking Republican, Rep. Doc Hastings of Washington. The committee is scheduled to meet Friday.

McClatchy Newspapers reported recently that the FBI is investigating the 2005 earmark for a \$10 million study of a proposed Coconut Road Interchange near Bonita Springs, Fla., as part of an inquiry into whether Young, R-Alaska, traded his influence as chairman of the House Transportation Committee for campaign contributions or other favors.

On Feb. 19, 2005, three weeks before the House passed a massive, six-year transportation bill, Young visited the site of the proposed interchange along Interstate 75, which was sought by real estate developer Daniel Aronoff. Young also attended a political fundraiser, netting more than \$40,000 in donations from builders and developers, including Aronoff, whose land would soar in value if linked to I-75.

The bill that won final passage later that summer earmarked \$10 million for "widening and improvements for I-75" in Collier and Lee counties. But on Aug. 10, the language was altered to read: "Coconut Rd. Interchange I-75/Lee County."

Alexander noted in his letter that the earmark was the only one of 6,371 allocations for congressional pet projects to be substantially changed during the "bill enrollment process," in which the House clerk makes technical corrections.

FBI - Stevens-1245

Young has maintained that he earmarked the money for the Coconut Road interchange because residents told him they wanted it in 2005 when he attended one of their community transportation meetings.

Alexander said that in 1854, an alleged tiny, but substantive, alteration of a House land grant bill for the Territory of Minnesota after final congressional passage led to an inquiry that concluded that the perpetrator should face "severe censure."

Alexander called on the ethics committee to investigate who substituted the earmark language, who knew of the change and on whose authority it was made.

Print Page

Close Window

Copyright © 2007 The Anchorage Daily News (www.adn.com)

FBI - Stevens-1246

« previous | MUCK HOME



Alaska Lawmakers Want Info on Veco Ties From Big Oil

By Laura McGann - September 28, 2007, 6:24PM

Two Democratic state legislators in Alaska wrote to three major oil companies today asking whether they were involved in Veco's bribe-laden lobbying effort last year on an oil tax law.

Former Veco CEO Bill Allen pleaded guilty to bribing officials to get a reduction in the tax rate for oil companies, hoping it would encourage them to build a lucrative pipeline. During the trial of former state Rep. Pete Kott (R-AK) last week, the prosecution played a tape of Allen telling ConocoPhillips President Jim Bowles about the lobbying effort. On the tape, Allen is heard saying, "Hey Jim, I told you we would-between-with Pete Kott and Ben we wouldn't have a bill. I know you're probably talking to someone else, but remember what I told you. We got it done."

In their letter, the two state lawmakers asked for reassurance from the oil companies that they were not involved:

We do not know if anyone at Conoco Phillips, or any of the oil companies engaged in criminal conduct, and do not suggest such conduct occurred. But we have an obligation to the public to make sure we receive reliable assurances that nobody from your companies participated in the improper influence peddling attempts made in 2005 and 2006.

PERMALINK | TOPICS: Veco

PRINT SHARE

ADVERTISEMENT

WHAT DO YOU STAND FOR?

Home Submit Watch Trailer

Click on submit for a chance to win for your cause.

UPLOAD YOUR VIDEO NOW

Comments (10)

anonymouse wrote on September 28, 2007 11:16 PM:

Wow... more Alaskan politics.

"We're sorry to bother you, but did any of you upstanding gentlemen break the law? We wouldn't even ask if we weren't under scrutiny from the voters right now, so please do not take this personally. Just say NO and all of us will be off the hook..."

It's pretty easy to see (if this letter is any indication) just who these legislators are representing...

Kuparuk wrote on September 29, 2007 12:31 AM:

I think you underestimate the balls it takes for anyone in a political position in Alaska to make direct accusations against the oil industry.

Just as the Bushies will paint anyone who disagrees with the war as "traitors." so do Alaskans paint anyone who appears to be the slightest bit "anti-oil."

The letter is diplomatically worded because these two men are well-educated professionals, written to well-educated professionals. You can't expect something like, "HA! BP UR TEH SUXXORS!!!!!! lol!"

WT wrote on September 29, 2007 1:06 AM:

Guiliani fundraiser funded CA electoral scam

FBI - Stevens-1247

194A-AN-13620-M 540

<http://latimesblogs.latimes.com/washington/2007/09/breaking-news-g.html>

BREAKING NEWS: Giuliani fundraiser was mystery initiative backer
A close friend and major fundraiser of former New York Mayor Rudy Giuliani has identified himself as the mystery financier of the proposed California initiative to apportion the state's 55 electoral votes by congressional district instead of winner-take-all.

He is New York hedge fund billionaire Paul Singer. He said he provided the \$175,000 to initially finance the petition drive to get the measure on the June 2008 ballot. But as The Times' Dan Morain revealed in an exclusive story on this website last night, the drive has foundered on internal disputes and lack of further financing.

itsjustme wrote on September 29, 2007 1:52 AM:

Anonymous really missed the mark here. Anyone who would cast aspersions on the ethics of Les Gara and Hollis French (and Harry Crawford, too) is COMPLETELY ignorant. Anyone who suggests that they're beholden to the oil companies is COMPLETELY insane. Gara may be the biggest thorn in the sides of the oil companies in Alaska, if the tape recorded conversations in Suite 604 are any indication.

Gara and French are former prosecutors and know what they're doing. Crawford, an ironworker, isn't a lawyer, but he's a pretty smart cookie, too. If Gara, French, Crawford and a few others, like Ethan Berkowitz, had been running the state, we'd be in a way different situation here.

Anonymous wrote on September 29, 2007 5:12 PM:

What is Lisa Murkowski's husbands background? Verne Martell, does he have prior convictions?

How many people in Alaska politics are convicted felons or are they just all losers on the run?

JD21 wrote on September 29, 2007 6:39 PM:

People are fed up with this.

Maybe that's why Obama is gaining steam. He reminds me of Clinton in '92. Obama now leads Clinton in likely Iowa caucus-goers. Let's not forget Dean, McCain and all the other early leaders who nearly always flame out by the end. Right on the war when it mattered, a uniter and very principled, Obama is a good one to watch.

http://rawstory.com/news/2007/Obama_leads_pack_among_Iowa_likely_0929.html

Steve wrote on September 29, 2007 10:27 PM:

I agree with anonymous that the letter does sound timid, but I the (I assume) Alaskans are right about Gara, Hollis, etc. I'd like to think that Alaska is a view of what is to happen in the US as a whole. The Republican lock on the Senate, House, Governorship, and national delegation caused them to think they were untouchable. The Dems - and there are good ones - are so used to being such minor players while the Republican caucus meets in private, are just starting to get their voices back.

Maybe the same rotting on the national level will be exposed the way it is happening here - through trials where some of the dirt is exposed, indisputably, to the world for what it is.

But it isn't just corrupt people, it's a whole system that isn't simply going to go away by electing new people.

ebenezer wrote on September 30, 2007 12:23 AM:

I agree there is systemic corruption in politics but the fact remains you cannot legislate morality. Either public officials come to the job with altruistic motives and integrity to match, or they come to line their pockets.

FBI - Stevens-1248

Life is made up of mega temptations, but every one of us, when presented with one or the other of them, make those hard choices that let us keep looking at ourselves in the mirror.

anonymous wrote on September 30, 2007 12:33 AM:

"I agree there is systemic corruption in politics but the fact remains you cannot legislate morality"

I beg to differ.

The reason there are not thousands mmore bank robberies than there is now is directly because of the penalties involved. As long as we continue to allow the politicians to rip off our nation.. they will continue.

On the other hand... if we instill harse punishments (take away retirement... ban from future government positions and lobbying... prison) the crimes will decrease.

I learned a long time ago that folks do not practice unacceptable behavior for two reasons. First, it is against their principles and values. Second, they fear the consequences. If you take away the consequences bad behavior will ALWAYS increase, not diminish.

"You cannot legislate morality" does sound pretty cool, though... IMHO

PalmerBuyer wrote on September 30, 2007 3:00 PM:

One of the biggest problems is not 'morality' per se, it is the feelings of 'entitlement' these people have in common, politicians AND oil companies.

Once upon a time they may have been 'moral', but through the years they have ceased to be able to discern the difference between RIGHT and WRONG. They have compromised for so long GRAY areas became BLACK -- and they didn't even notice! (and the voters didn't either!) Again, the sense of entitlement makes them think that because THEY did it, it is OKAY. And they are doing it for 'our' good.

Well, these persons are WRONG. If it looks like a duck, walks like a duck, and sounds like a duck -- it is still a duck ---- even if you call it a peacock and try to sell it as such.

Be warned: Alaskans are getting ready to TAKE BACK THEIR STATE. And I praise the internet age to allow COMMUNICATION to take place where 'behind closed doors' was a mantra.

SO, If you can't tell the difference between a duck and a peacock, please don't bother running for office. WE know the difference.

Post a comment

Name:

Email Address:

URL:

☐ Remember personal info?

Comments:

FBI - Stevens-1249

JOHN C. STENNIS, MISSISSIPPI, CHAIRMAN

ROBERT C. BYRD, WEST VIRGINIA
WILLIAM PROXMIRE, WISCONSIN
DANIEL K. INOUE, HAWAII
ERNEST F. HOLLINGS, SOUTH CAROLINA
LAWTON CHILES, FLORIDA
J. BENNYT JOHNSTON, LOUISIANA
QUENTIN N. BURDICK, NORTH DAKOTA
PATRICK J. LEAHY, VERMONT
JIM SASSER, TENNESSEE
DENNIS D'CONCINI, ARIZONA
DALE BUMPERS, ARKANSAS
FRANK R. LAUTENBERG, NEW JERSEY
TOM HARKIN, IOWA
BARBARA A. MIKULSKI, MARYLAND
HARRY REID, NEVADA

MARK O. HATFIELD, OREGON
TED STEVENS, ALASKA
LOWELL P. WEICKER, JR., CONNECTICUT
JAMES A. MCCLURE, IDAHO
JAKE GARN, UTAH
THAD COCHRAN, MISSISSIPPI
ROBERT W. KASTEN, JR., WISCONSIN
ALFONSE M. D'AMATO, NEW YORK
WARREN RUDMAN, NEW HAMPSHIRE
ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMENICI, NEW MEXICO
CHARLES E. GRASSLEY, IOWA
DON NICKLES, OKLAHOMA

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

SSP

FRANCIS J. SULLIVAN, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

CLASS

SRC'D

SER

REG

MISCELLANEOUS NON-SUBVERSIVE

September 7, 1988

Milt Ahlerich, Assistant Director
Office of Congressional and Public Affairs
Federal Bureau of Investigation
9th and Pennsylvania Avenues, N.W.
Washington, D.C. 20535

Dear Mr. Ahlerich:

Enclosed is a copy of letter sent to me by [redacted] concerning the growing and selling of marijuana. I appreciate your investigating the matter outlined in the letter and providing me with a response to share with my constituent.

b6
b7c

Thanks for your help.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS

Enclosure

ENCLOSURE

ack let to Ted Stevens

9-19-88

JB: gmm

FBI - Stevens-2753

24/88

summary file 11-2-87
[redacted] [redacted]
[redacted] Alaska [redacted] b6 b7C
LS

The honorable Ted Stevens,
Dear Ted

We got your flier in the mail today
& in it you quoted on dope or drugs.
Well in this area the major crop
is Marijuana just about every
house hold grows it & a lot of
them grow it in the woods for
commercial sale, I personally showed
a member of the drug enforcement agency
of Anchorage a bunch of it & nothing
was done about it, and I also reported
a few dealers to the state troopers
Corporal [redacted] also [redacted]
also [redacted] & nothing was
done so to me all this talk about
dope controll is a bunch of B.S.
and another thing Ted is after
Jesse Jackson & Dukakis get
through making the world
believe we are all a bunch of

FBI - Stevens-2754

ENCLOSURE

63-0-88366

7
idiots, it sort of sours me
on politics, I would rather
Vote for farmer Browns hound
dog than those two sore heads.
I don't like to hear all of the
false promises that have
been announced from politicians
running for office, and the
American public are not as
dumb, as some politicians believe
Our nation is in big trouble
especially when we have to depend
on foreign countries to manufacture
our defense weapons and at the
same time sell our secrets to
the Soviets.

Most of our factories & mines
are closed down on account of
the ecologist or environmentalist
who are killing our America
for employment of the people

and for the manufacture of
 Weapons for our own defense
 Just take time to look at all
 the junk that is being imported
 from foreign nations and it is junk
 I own a little Ford ranger that
 is supposed to have been built in
 the U.S.A. That is a bunch of bull.
 the computer & brain box is built
 by J. H. P. H. N. and Companies
 the exhaust system is built in
 Canada. the universals are from Germany
 and the transmission is Japanese
 God only knows where the rest of
 it was built and it is a 1983 model
 so our nation has gone down hill
 it is not the America I fought
 for in the 1940's. I would say we are
 sold out and just about don't
~~exist~~ exist any more.
 The way to put America back

on top again is to start all over again by building factories and putting the back bone of America back to work and the back bone is the working class of people.

All I hear is do you have education and how much, maybe we can give you more education?

What good is education if there is no work to use it on?

I am an old man & retired D. H. V. and I have time to watch the news & our sick economy get sicker for no reason, so I say to hell with California and its environmentalist & ecologist our Alaska is rich with minerals lets mine them & log our timber and drill our oil there is no reason we can not do this and get our people off Welfare.

0 5

We have Coal - Iron ore. - Gold
platinum - lead - Zinc - silver
- Copper - platinum - diamonds.
and we have birch for tooth picks
and ply wood - clothes pins and many
other products We have cotton wood
and - aspen or popple for ply wood filler
We have spruce & Balsa wood now all
of these trees could make press board
If the state can finance these losing
dairy farms why cant they put up
plants that will pay off in the
long run and at the same time
put the people to work,
Canada does these things why cant
Hlaska as we are the richest place
on earth if we just get off our
lazy ass

Sincerely your friend



May 4, 1994

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510-6325

Dear Senator Stevens:

I am writing in further response to your April 4th inquiry on behalf of one of your constituents, who is concerned about the circumstances under which the FBI can tap into telephone conversations. I appreciate your affording me the opportunity to address your constituent's concern.

Congress enacted the Omnibus Crime Control and Safe Streets Act of 1968. That law, and its subsequent amendments, created the exacting and meticulously demanding procedure by which federal law enforcement can obtain judicial authorization to conduct electronic surveillances, commonly known as wiretaps. Wiretapping can only be used to address the most serious criminal and sometimes violent threats facing our society, and it receives severe judicial scrutiny. Only when a judge is satisfied that all safeguards are met is it permitted. Title III of that law provides a legislative basis, with carefully constructed controls, requirements, and limitations, for the judicial authorization of electronic surveillance techniques.

Additionally, the FBI conducts electronic surveillance of certain subjects of foreign counterintelligence investigations who meet the legal standards of the Foreign Intelligence Surveillance Act of 1978. These wiretaps are subject to judicial review by the Foreign Intelligence Surveillance Court, are sanctioned by a judicial warrant, and must meet similar safeguards as those of the Omnibus Crime Control and Safe Streets Act.

Your constituent may be making reference to proposed legislation that is currently the subject of a great deal of misunderstanding and debate. The essential purpose of the proposed legislation is not to enhance our wiretapping authority, but to ensure that all the telephone companies continue to have the technical means to be able to respond to electronic surveillance court orders.

MAILED 14
MAY 1994
Dep. Dir. _____
ADD Adm. _____
ADD Inv. _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
CJIS _____
Info. Mgmt. _____
Insp. _____
Intell. _____
Lab. _____
Legal Coun. _____
Tech. Servs. _____
Training _____
Off. of EEOA _____
Off. Liaison _____
& Int. Affs. _____
Off. of Public _____
& Cong. Affs. _____
TQM Office _____
Telephone Rm. _____
Director's Office _____

ESH:ljbm

SEE NOTE PAGE TWO

FBI - Stevens-2759


MAILROOM ☒

FBI/DOJ

Honorable Ted Stevens

Your constituent can be assured that the rights of citizens are always a major consideration of the FBI when utilizing wiretaps or any other investigative tool. I hope this information will allay your constituent's concern.

Sincerely yours,


John H. Kaul
Legislative Counsel
Office of Public and
Congressional Affairs

NOTE: Above response based on previous replies to similar inquiries.

Handwritten initials

esw

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/24/2006

An individual, who is not in a position to testify,
provided the following information:

Source advised the governor gave a no-bid contract to
an Oregon company called PAC/WEST. The purpose of the contract
was to push the public to support opening the Arctic National
Wildlife Refuge (ANWR). Attached hereto and made a part hereof
is the Anchorage Daily News article that discussed the contract.

[Handwritten signature]

[Handwritten circle around "p1,2,3"]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 01-04-2011 BY 65179 DMH/SBS

Investigation on 04/24/2006 at Anchorage, AK

File # AN 194-0

by SA

Date dictated 04/24/2006
FBI - Stevens-2761

b2
b6
b7C
b7D

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

CP 115cej09.302

AN 194-0-259

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 01-04-2011 BY 65179 DMH/SBS

adn.com

Anchorage Daily News

Print Page

Close Window

Senators question Outside PR deal

ANWR: Without hearing or competitive bidding process, \$3 million was budgeted.

By MATT VOLZ

The Associated Press

(Published: March 31, 2006)

JUNEAU -- More state lawmakers are asking how an Oregon public relations firm landed a \$3 million deal to push for the opening of the Arctic National Wildlife Refuge to oil drilling.

The appropriation to Pac/West Communications was put into the state supplemental budget on the House floor Monday without a committee hearing and without going through a competitive bidding process. Another \$750,000 was appropriated to Arctic Power, which has been the state's ANWR lobbyist since 1992.

The money isn't going to either group yet.

The Senate on Thursday voted down the House's changes to the supplemental budget. Some senators voted against other changes in the bill, such as the insertion of additional rural energy assistance money, but others cited the ANWR appropriation as the reason for their no vote.

Sen. Gretchen Guess, D-Anchorage, said she could see no proof that Pac/West has the experience necessary for a targeted national campaign to sway opinion on opening ANWR.

She questioned why a request for proposals was not issued or a list of criteria not drawn up "to get the best national firm with the best chance for opening ANWR."

Senate Majority Leader Gary Stevens, R-Kodiak, said the Republican caucus needed more information about Pac/West. Asked if he had other problems with the House's changes to the supplemental budget, he said no.

"That's the big issue we're concerned about right now," Stevens said. "I think it's good to just take the time and make sure it's the right organization to give money to."

But there may be division within the Senate Republican leadership. Senate President Ben Stevens, R-Anchorage, said he supports the appropriation and Pac/West and there is no need to issue a request for proposals for the project.

"Look, it's a strategy to try and convince votes and to help change public opinion," he said. "It's obviously a strategic maneuver at the national level, so why would we put it out to an RFP and tell the opposition what we want to do?"

Ben Stevens' father, U.S. Sen. Ted Stevens, R-Alaska, the week before had told the Legislature the annual fight in Congress had a greater sense of urgency this year. If it fails again, the ANWR lobby may lose the support of the oil companies that would drill there, he said.

That's why Pac/West was chosen, said House Speaker John Harris, R-Valdez. The public relations firm has shown it cares about Alaska issues and that it's been effective, he said.

FBI - Stevens-2762

"When Sen. Stevens was here, he said we have to do this immediately," Harris said. "There are only two groups out there that I'm aware of that could do that, that have shown their presence and interest in doing that. One is Arctic Power, which we've been using for some period of time. The other is Pac/West."

Pac/West has been involved in Alaska politics, particularly ballot initiatives, in recent years. The company is working with the NorthWest Cruise Ship Association to defeat a ballot initiative this year for a \$50-per-passenger cruise ship tax. And in 2004, the company campaigned against an Alaska ballot initiative to ban bear baiting in the state.

If it weren't for the immediate need, Harris said, the contract probably would have gone to bid. But sole-source contracts such as this can be and often are done if they are in the interest of the state, Harris said.

There are an estimated 10 billion barrels of oil beneath the tundra east of Prudhoe Bay. Opening ANWR to drilling is strongly supported in Alaska, with as much as 80 percent of the state's treasury dependent on oil taxes and royalties.

Pac/West plans to use the \$3 million to wage public-relations campaigns within the districts of certain congressmen who have voted against ANWR in the past. The company would first identify congressional districts to target, then structure a campaign around the idea that ANWR would ease the nation's dependence on foreign sources of energy.

In an interview with The Associated Press this week, Pac/West president Paul Phillips said his company began speaking more than a year ago with Alaska's congressional delegation and the governor's Washington, D.C., office about an ANWR campaign.

"We've been in the mix for over a year, but has it been public? No, because the timing hasn't been right," Phillips said.

The Senate voted 2-18 Thursday against the House's changes to the supplemental budget. Ben Stevens appointed a conference committee with Republican Sens. Gary Wilken of Fairbanks and Lyda Green of Wasilla, along with Democratic Sen. Lyman Hoffman of Bethel.

Once the House appoints a conference committee, the two sides will meet to work out a final supplemental spending bill.

The bill is Senate Bill 232.

Print Page

Close Window

Copyright © 2006 The Anchorage Daily News (www.adn.com)

FBI - Stevens-2763



U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-3224

December 22, 2006

Federal Bureau of Investigation
Anchorage Division
PO Box 100560
Anchorage, AK 99510
Attn: SSA [redacted]

Re: [redacted] alleged murder case

Dear [redacted]

Please find enclosed more correspondence from [redacted]. Please take whatever investigative action you deem appropriate given your resources.

Very truly yours,

NELSON COHEN
United States Attorney

[redacted]
Assistant U.S. Attorney
United States Attorney's Office
District of Alaska
[redacted]

PI-8

b6
b7C

✓ AN 194-0 - 316
800A-AN-13718-Squad 4-92

FBI - Stevens-2764

e

[REDACTED]

August 24, 2006

Nelson Cohen
United States Attorney
Federal Building
222 West 7th
Anchorage, AK 99501

Dear Mr. Cohen:

I am personally **pleased** to see that we now have an Attorney General from outside of Alaska. For my matter this is particularly important.

I am not going to waste your time restating what already exists in files in your office. In a nutshell [REDACTED] who uncovered what I believe to be four unsolved murders in Anchorage in the 1940s and 1950s – three of them Federal cases. What is important for you is that one man [REDACTED] perpetrated a murder is still alive. [REDACTED]

[REDACTED] about the alleged murder and the money and [REDACTED] are in the paperwork you already have. To date, the Anchorage office of the FBI and the United States Attorney's office have yet to even ask him – [REDACTED] – in for an interview. The man is in his [REDACTED] so there is 'not much time' left to resolve this matter.

I suspect and have so stated in my writing that [REDACTED]
[REDACTED] He is closely connected to Senator Ted Stevens, enclosed please find documentation establishing that fact, who is "mad" that an Outsider got the post of United States Attorney General, newspaper article enclosed. Frankly I'm pleased because with an Alaskan United States Attorney General, this matter would probably not move forward.

If you need any additional information from me, feel free to call [REDACTED] of the executed Police Officer is [REDACTED] and he can be reached in [REDACTED] at [REDACTED]

If the paperwork to which I refer cannot be found, I would be more than happy to provide another copy.

Sincerely,

[REDACTED]

FBI - Stevens-2765

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 01-04-2011 BY 65179 DMH/SBS

b6
b7c

Online Public Notices

Department of Commerce

Alaska Corporations, Business and Professional Licensing

Search

- ☒ By Entity Name
- ☒ By AK Entity #
- ☒ By Officer Name
- ☒ By Registered Agent
- ☐ Verify
- ☒ Verify Certification
- ☐ Biennial Report
- ☒ File Online
- ☐ LLC
- ☒ File Online
- ☐ Business Corporation
- ☒ File Online
- ☐ Online Orders
- ☒ Register for Online
- ☐ Orders
- ☒ Order Good Standing
- ☐ Name Registration
- ☒ Register a Business
- ☐ Name Online

Date: 8/24/2006

Filed Documents

(Click above to view filed documents that are available.)

Entity Name History

Name	Name Type
ALASKA'S GREAT EAGLE, LLC	Legal

Limited Liability Company Information

AK Entity #:	77536D
Status:	Active - Good Standing
Entity Effective Date:	09/13/2002
Primary NAICS Code:	
Home State:	AK
Principal Office Address:	PO BOX 403 GIRDWOOD AK 99587
Principal Mailing Address:	No Address
Expiration Date:	Perpetual
Last Biennial Report Filed Date:	10/24/2005
Last Biennial Report Filed:	2006
Biennial Report Month:	

Registered Agent

Agent Name:	<u>Persons, Robert L</u>
Office Address:	<u>Crow Creek Rd</u> <u>Girdwood AK 99587</u>
Mailing Address:	<u>PO Box 403</u> <u>Girdwood AK 99587</u>

Organizers

Name:	<u>Bill Allen</u>
Address:	<u>PO Box 03</u> FBI - Stevens-2766

<https://myalaska.state.ak.us/business/soskb/corp.asp?277894>

8/24/2006

Title: Girdwood AK 99587
Member
Owner Pct:

Name: Mark Allen
Address: PO Box 03
Girdwood AK 99587
Title: Member
Owner Pct:

Name: Carl Marrs
Address: PO Box 03
Girdwood AK 99587
Title: Member
Owner Pct:

Name: David McGuire
Address: PO Box 03
Girdwood/AK 99587
Title: Member
Owner Pct:

Name: R L Persons
Address: PO/Box 03
Girdwood AK 99587
Title: Member
Owner Pct:

Name: Ted Stevens
Address: Box 403
Girdwood AK 99587
Title: Member
Owner Pct:

Name: Ed Rasmuson
Address: Box 403
Girdwood AK 99587
Title: Member
Owner Pct:

Name: Carl Brady
Address: Box 403
Girdwood AK 99587
Title: Member
Owner Pct:

Name: Leonard Hyde
Address: Box 403
Girdwood AK 99587

Title: Member
Owner Pct:

Name: **Bob Penny**
Address: Box 403
Girdwood AK 99587
Title: Member
Owner Pct:

Officers & Directors

Webmaster Contact the Division

<p> 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072 2073 2074 2075 2076 2077 2078 2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089 2090 2091 2092 2093 2094 2095 2096 2097 2098 2099 2100 2101 2102 2103 2104 2105 2106 2107 2108 2109 2110 2111 2112 2113 2114 2115 2116 2117 2118 2119 2120 2121 2122 2123 2124 2125 2126 2127 2128 2129 2130 2131 2132 2133 2134 2135 2136 2137 2138 2139 2140 2141 2142 2143 2144 2145 2146 2147 2148 2149 2150 2151 2152 2153 2154 2155 2156 2157 2158 2159 2160 2161 2162 2163 2164 2165 2166 2167 2168 2169 2170 2171 2172 2173 2174 2175 2176 2177 2178 2179 2180 2181 2182 2183 2184 2185 2186 2187 2188 2189 2190 2191 2192 2193 2194 2195 2196 2197 2198 2199 2200 2201 2202 2203 2204 2205 2206 2207 2208 2209 2210 2211 2212 2213 2214 2215 2216 2217 2218 2219 2220 2221 2222 2223 2224 2225 2226 2227 2228 2229 2230 2231 2232 2233 2234 2235 2236 2237 2238 2239 2240 2241 2242 2243 2244 2245 2246 2247 2248 2249 2250 2251 2252 2253 2254 2255 2256 2257 2258 2259 2260 2261 2262 2263 2264 2265 2266 2267 2268 2269 2270 2271 2272 2273 2274 2275 2276 2277 2278 2279 2280 2281 2282 2283 2284 2285 2286 2287 2288 2289 2290 2291 2292 2293 2294 2295 2296 2297 2298 2299 2300 2301 2302 2303 2304 2305 2306 2307 2308 2309 2310 2311 2312 2313 2314 2315 2316 2317 2318 2319 2320 2321 2322 2323 2324 2325 2326 2327 2328 2329 2330 2331 2332 2333 2334 2335 2336 2337 2338 2339 2340 2341 2342 2343 2344 2345 2346 2347 2348 2349 2350 2351 2352 2353 2354 2355 2356 2357 2358 2359 2360 2361 2362 2363 2364 2365 2366 2367 2368 2369 2370 2371 2372 2373 2374 2375 2376 2377 2378 2379 2380 2381 2382 2383 2384 2385 2386 2387 2388 2389 2390 2391 2392 2393 2394 2395 2396 2397 2398 2399 2400 2401 2402 2403 2404 </p>
--



Seasons Greetings



Walter 99513

3
U.S. OFFICIAL MAIL
\$300 Penalty
For Private Use
NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

b7C

From [redacted]@hotmail.com>

Sent Monday, September 17, 2007 4:02 pm

To [redacted]@ktuu.com

Subject Northern Dynasty accused of payoffs

Rep. Jay Ramras just publicly opened pandora's box. Those of us that live here in the Bristol Bay region; by common knowledge know that [redacted] donates heavily to to Rep. Jay Ramras, Sen. Bryce Edgmon, the Alaska Republican Party with many kickbacks to Senator Ted Stevens, all opposed to the Pebble Project. In fact Senator Bryce Edgmon is the author of HB 134 that would prevent the development of the Pebble Project. [redacted] campaigned heavily for Edgmon's election and is an open and public advocate against the Pebble Project.

b6
b7c

I think the FBI should look into [redacted] relationship with Reps. Ramras and Edgmon including Senator Ted Stevens. This probe should also include the Alaska Republican Party.

I am a [redacted] If the seafood industry would pay me a fair price for [redacted] I would gladly oppose a hole in the ground. But when the seafood industry cuts me off from [redacted] and puts me on limit deliveries; I will wholeheartedly welcome any economic development including the Pebble Project.

Further, [redacted] is soliciting proxies for [redacted] running as an independent candidate for the Bristol Bay Native Corporation whose annual meeting is October 6, 2007. Her mail-out proxy was mailed by bulk mail; permit number 170. It would be interesting to see whose permit this is?

Sincerely, [redacted]

Gear up for Halo® 3 and get a \$25 Best Buy gift card. It's our way of saying thanks for using Windows Live™. Get it now!

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 01-04-2011 BY 65179 DMH/SBS

300A-AW-13718-Squad 4-250
AW 194-0 -359
FBI - Stevens-2770

From [redacted]@starband.net

Sent Monday, September 17, 2007 3:42 pm

To [redacted]@ktuu.com

Cc anchoragefbi@ak.net

Subject Northern Dynasty Accused of Payoffs

[redacted] Council; a Federally Recognized Tribe for South Naknek is requesting you and your department to investigate the following individuals and organizations for paying-off Native individuals and organizations, including State Representatives and State Senators.

Rep. Jay Ramras is claiming that Northern Dynasty is buying off Native leaders and organizations. Your investigation should you conduct one must be broader in scope to include those individuals and organizations in opposition to the Pebble Project as well.

It is common knowledge that [redacted] is funding many who are in opposition to the Pebble Project. Within the numerous organizations who are opposed to the Pebble Project, [redacted] and former State Senator [redacted] are a common denominator. It is said that [redacted]

[redacted] when State Representative Bryce Edgmon won the last election. Since there may be criminal implications, it may be wise to invite the FBI in as well. We also know of the close relationship between [redacted] and Senator Ted Stevens who also opposes the Pebble Project publicly. To some degree it is a question of whether the Veco investigation that is ongoing can compare to what is at stake regarding the Pebble Project.

b6
b7C

There are many organizations who are connected to one another; such as the Renewable Resource Coalition, Friends of Bristol Bay, World Wildlife Federation, Trout Unlimited, Alaska Independent Fisherman's Market Association, Peter Pan Seafoods, Senator Bryce Edgmon, Rep. Jay Ramras, Ford Foundation which currently funds environmental groups in the Nushagak area and the Alaska Republican Party. There are many more which the investigation could identify.

It is sad to hear rumors such as those of Rep. Jay Ramras. However should the Attorney General investigate, then the investigation should include those on both sides of the issue.

We find the news release on Northern Dynasty interesting and timely; this coming week the legislature will be holding hearings in Naknek and Dillingham on HB 134. Is there a connection?

[redacted]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 01-04-2011 BY 65179 DMH/SBS

FBI - Stevens-2771

PSTD300P TERMID: Y#4F

BASIC PERSON RECORD

09/19/07

12:17:06.3

PERSON NAME: [REDACTED]

DOB: [REDACTED]

SSN: [REDACTED]

PERM ID:

SEX: F HGT: 5 03 WGT: 225 HAIR: BRO EYE COLOR: BRO RACE: W

BIRTH PLACE CITY: ANCHORAGE

STATE: AK

MONIKER:

IFPS:

FP ON FILE:

FELON: N

SOR:

MOST CURRENT STREET/EXTRA LINE

CITY/COUNTRY

ST LAST CHG

MAILING ADDR: [REDACTED]

(DRIVER LIC)

RES ADDR: [REDACTED]

(APSIN)

APSIN ID: [REDACTED]

STATUS:

CDL STATUS:

CLASS EXPIRES

CLASS

EXPIRES

CLASS

EXPIRES

CLASS

EXPIRES

D

IP

ID

ADL: [REDACTED]

RESTRICTIONS:

DMV ID: [REDACTED]

PF2 MULT PER

PF3 FWP HST

PF4 CASE INFO

PF6 DMV VEH DIS PF7 DMV DR HST

PF8 CRIM HST

PF10 NCIC W/W

PF11 ADDR DISP

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 01-04-2011 BY 65179 DMH/SBS

FBI - Stevens-2772

National Legal and Policy Center

"promoting ethics in public life"



Board of Directors

Ken Boehm, Chairman

Peter Flaherty, President

Kate Hinton

Meghan Jannotta

David Wilkinson

Founded 1991

b6
b7C

July 24, 2007

The Honorable Barbara Boxer, Chairman
The Honorable John Cornyn, Vice Chairman
Select Committee on Ethics
U.S. Senate
Room 220, Senate Hart Office Building
Washington, D.C. 20510

[Handwritten signature]
[Handwritten signature]

[Handwritten: PPL-5, 14]

VIA FAX (202) 224-7416 & Certified Mail #7005 1160 0004 8557 8744

Re: Request for an Investigation of Senator Lisa Murkowski's Land Deal

Dear Chairman Boxer and Vice Chairman Cornyn:

The National Legal and Policy Center (NLPC), a non-profit, non-partisan organization which promotes ethics and accountability in government and public life, requests that you begin an investigation into the facts and circumstances of a December 2006 land transaction undertaken by Sen. Lisa Murkowski as well as her subsequent failure to properly disclose the transaction in her 2006 Financial Disclosure Report. NLPC brings this complaint pursuant to the provisions of the Senate Ethics Manual, Appendix C, Part II, Rule 2, "Procedures for Complaints, Allegations, or Information."

The facts of the case are available from the public record, chiefly media accounts and publicly available records. All such sources are cited and some are attached as exhibits.

During December 2006, Sen. Lisa Murkowski and her husband purchased a 1.27-acre vacant parcel of land from real estate developer Bob Penney.¹ Mr. Penney is a longtime family friend of and political contributor to Sen. Murkowski. The property is situated on the banks of the Kenai River, an area with rapidly appreciating real estate values.

¹ "Sen. Murkowski involved in questionable land deal," Associated Press, July 19, 2007; information from KTUU-TV, <http://www.ktuu.com>

107 Park Washington Court • Falls Church, VA • 22046
703-237-1970 • fax 703-237-2090 • www.nlpc.org

FBI - Stevens-2773

[Handwritten: AN 194-0-365]
[Handwritten: C-1]

On May 14, 2007, Sen. Murkowski filed her Financial Disclosure Report covering the year 2006, as required by the Ethics in Government Act of 1978.² (2006 Financial Disclosure Report attached as Exhibit A) The Report failed to disclose the real estate transaction under Part IV, "Transactions." The Transaction page instructs filers to

"Report any purchase, sale, or exchange by you, your spouse, or dependent child during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000." (Exhibit A at page 8)

Under Schedule Part VII, "Liabilities," Sen. Murkowski disclosed that First Bank was a creditor with respect to a "mortgage on undeveloped land." The "Date Incurred" column was filled in with "11/0" (sic). The "Term if Applicable" column was filled in "15-year." The "Category of Amount of Value" columns, which require those using the Report to pick a range of dollar values within which the proper response fits was left blank. (Exhibit A at page 9)

On July 16, 2007, Laura McGann of TPM Muckraker.com, a popular Internet site specializing in coverage of political corruption issues, ran an article about the land deal.³ The article stated that real estate developer Bob Penney, who had testified before a grand jury regarding his relationship with Sen. Ted Stevens (R-AK), was now in a financial relationship with Alaska's other senator, Lisa Murkowski. The article disclosed the land deal involving the prime piece of riverfront property between Penney and Murkowski but stated that the purchase price was not disclosed in the senator's 2006 Financial Disclosure Report.

Both Penney and Sen. Murkowski's office refused to disclose the sale price to reporter Laura McGann. In a phone interview, Penney was quite blunt:

"Why should I tell you?" Penney said. I have sold millions of dollars worth of property. I consider that a private transaction."

Adding context to the transaction, the story cited the fact that Penney was a business partner of Sen. Stevens in a Utah land deal that "turned a \$15,000 investment into \$100,000 for the senator."⁴ Other news articles state that the \$15,000 Utah land deal Stevens made with Penney was even more profitable with Stevens ultimately selling his share for \$150,000. Equally notable was the reason Penney allowed Stevens in on such an especially lucrative deal:

² Pub. L. No. 95-521, 92 Stat. 1824 (Oct. 26, 1978).

³ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>.

⁴ Id.; See also "Stevens-Penney venture pays well, at least on paper; Development: Utah project cost senator \$15,000; now it's worth at least \$100,000," by Liz Ruskin, Anchorage Daily News, June 21, 2004, page A1.

In 2004, Stevens told a *Daily News* reporter that he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country."⁵

The July 16, 2007 TPM Muckraker article also cited the fact that Stevens and Penney

"...own stakes in a racehorse with former Veco executive Bill Allen, who recently pleaded guilty to federal bribery and conspiracy charges in a cash-for-votes scheme involving state lawmakers."⁶

Despite the refusal of both Penney and Murkowski to disclose the sale price for the land, the local media quickly learned that the sale price was the same as the previous year's assessment from the Kenai Peninsula Borough, \$179,400.⁷ The media also reported that the most recent assessment for the land was \$214,900.⁸ Indeed, the assessment of \$214,900 came just three days after the sale of the property.⁹

Notably, the media quickly learned that the actual value of the property appeared to be significantly higher:

- Jason Moore of KTUU-TV reported on a July 18, 2007 broadcast that Martin Radvansky, owner of Soldatna Realty, said that an examination of the Multiple Listing Service since January 2006 found similar lots selling for between \$250,000 and \$350,000.¹⁰
- Another Soldatna real-estate broker, Linda Lane of the Ron Moore Co., told Brandon Loomis of the *Anchorage Daily News* that riverfront properties typically sell for more than the borough's assessed value and that a sale price of \$179,000 would generally be low for a parcel on the Kenai River of the size of Penney's lot.¹¹
- Laura McGann of TPM Muckraker also found real estate agents in the area

⁵ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400 draws questions and criticism," by Brandon Loomis, *Anchorage Daily News*, July 19, 2007.

⁶ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>

⁷ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400 draws questions and criticism," by Brandon Loomis, *Anchorage Daily News*, July 19, 2007.

⁸ *Id.*

⁹ "Sen. Murkowski defends price paid for Kenai land," by Brandon Loomis and Erika Bolstad, *Anchorage Daily News*, July 20, 2007.

¹⁰ "Murkowski land deal questioned," by Jason Moore, July 18, 2007, <http://www.ktuu.com/Global/story.asp?S=6810012>

¹¹ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400 draws questions and criticism," by Brandon Loomis, *Anchorage Daily News*, July 19, 2007.

telling her that the assessed value of \$214,000 was well below what Penney could have gotten had he sold the property on the open market.¹²

- An *Anchorage Daily News* article on July 20, 2007 interviewed Judy Cloud, a Kenai realtor and president of the Alaska Association of Realtors, and quoted her as saying little property on the world-class salmon river is available and when property does go on the market, it increases rapidly in value. "If you are able to get it at assessed value; that's a wonderful thing," she said.¹³
- Only one Kenai riverfront parcel is currently for sale. The asking price is \$399,000 and it's only an acre which makes it smaller than the Murkowski property.

In an editorial, "Lisa's Deal," the *Anchorage Daily News* weighed in with this commentary:

Three days after the borough recorded the Murkowskis' purchase, the assessed value went up to \$214,900. So right off the bat, it looks like she got a discount of 20 percent.

In fact, her friendly political discount was probably far bigger. The online real estate listing service for Alaska has one Kenai riverfront lot. The parcel is only an acre – a quarter of an acre less than Sen. Murkowski's – but the asking price is \$399,000. Per acre, that is almost three times what the senator paid for hers.¹⁴

Bob Penney appeared ignorant at reports of the value of the land deal as contrasted with the sale price:

"Word of honor, I did not know what the assessed value was," he said. "I thought it was still \$120,000."¹⁵

Penney's professed surprise at the value was underscored by his exclamation:

"Who the hell would ever think it would jump like that?," Penney said.¹⁶

¹² "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>

¹³ "Sen. Murkowski defends price paid for Kenai land," by Brandon Loomis and Erika Bolstad, *Anchorage Daily News*, July 20, 2007.

¹⁴ "Lisa's Deal," *Anchorage Daily News*, July 19, 2007.

¹⁵ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400 draws questions and criticism," by Brandon Loomis, *Anchorage Daily News*, July 19, 2007.

¹⁶ *Id.*

This claim by a multimillionaire real estate developer that he did not know the value of land that he owned right next to his own home on the Kenai River was not considered as very credible by those in the media following the story. Laura McGann, the TPMuckraker reporter who broke the story, located an audio tape of Bob Penney testifying at a hearing on the economic impact of sport fishing. McGann wrote that Penney "seemed much more familiar with assessments in the area." The audio tape statement by Penney appears to show a real estate developer who is extremely well-informed about land values on the Kenai River:

The economic value of the land along the Kenai River privately held from Skilak to Ames bridge; three years ago the assessed value to the borough of only the privately owned land was three hundred and thirty-five million dollars. As Mr. Busey just said to you, it's increased since then. Now, I know it's well over five-hundred, but we haven't seen what the borough's assessed it. But gentlemen and ma'm, all that assessment in value came from one reason; cause there's fish in the river. And you put the fish in the river, and you put the fish in the inlet, and you give the opportunity for the public you'll see the economic engine run hard.¹⁷

The McGann article also undercut Penney's "word of honor" statement that he thought the assessment was just \$120,000 by reporting that, "...Penney would have received notice of the new \$179,400 assessment in March 2006, some nine months before he sold the property to Murkowski."¹⁸

The questionable land deal appears to have even made Sen. Murkowski nervous as it was being done. In an interview with local radio talk show host Rick Rydell, Sen. Murkowski's husband, Verne Martell, referred to his wife's reservations as to the deal as follows:

"But, yeah, when we signed the loan, Lisa signed on it and said, you know, 'This might come back and bite us. Well, you know, we'll deal with that when it comes,'" Martell said.¹⁹

The ethical questions regarding the controversial land deal between the real estate developer and the senator do not end with the issues as to whether the sale price constituted a sweetheart deal between an elected official and a developer known to have made another senator richer with a land deal. Also raising ethical issues is the financing Sen. Murkowski obtained for the land deal.

¹⁷ "Penney told a different story at sport fishing hearing," by Laura McGann, <http://www.tpmuckraker.com/archives/003740.php>, July 20, 2007

¹⁸ *Id.*

¹⁹ "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, <http://www.tpmuckraker.com/archives/003647.php>

Jason Moore of KTUU-TV reported on July 20, 2007 about an unusual feature of the loan: it has a January 1, 2046 maturity date making it a 39-year loan. When KTUU-TV questioned First Bank about its policies for undeveloped land loans, the bank told them that the standard loan for undeveloped property had a maximum seven-year maturity.

Sen. Murkowski's 2006 Financial Disclosure Report (under Part VII, "Liabilities") stated that the term of the loan was "15-yr."²⁰

It appears that Sen. Murkowski received a loan with terms and conditions not available generally to the public and then misrepresented the term on her Financial Disclosure Report as being fifteen years instead of thirty-nine years.

One possible reason that Sen. Murkowski obtained financing from First Bank in Ketchikan as opposed to a bank closer to the property appears to be that she once served on First Bank's board of directors, her sister currently does, her father (former governor Frank Murkowski) once sat on the board, and her grandfather had been bank president many years ago.²¹

When I was questioned about the apparently favorable conditions of the bank loan by Mr. Moore for the story, my response was:

"There's one legal issue here and the legal issue is: did the senator get terms and conditions on her financial transaction that are not available generally to the public? If she did, then it could be a violation of the gift rule the Senate has," said Ken Boehm, National Legal and Policy Center."²²

**Apparent Omissions and Misrepresentations on
Sen. Murkowski's 2006 Financial Disclosure Report**

Financial Disclosure Reports are required to be filed by all Members of Congress pursuant to the Ethics in Government Act of 1978, Pub. L. No. 95-521, 92 Stat. 1824 (Oct. 26, 1978). The Statute provides that the Attorney General may seek a civil penalty of up to \$11,000 against any individual who knowingly and willfully falsifies or fails to file or report any information required by the Act (5 U.S.C. app. 4, §104).

The first Financial Disclosure Report issue is whether Sen. Murkowski was required to disclose her purchase of land from Bob Penney on her 2006 Financial Disclosure Report.

²⁰ Exhibit A, at page 9.

²¹ "Senator defends land purchase," by Jason Moore, July 20, 2007, <http://www.ktuu.com/Global/story.asp?S=6820560>

²² *Id.*

Sen. Murkowski appears to take the position that the land deal was somehow exempt from disclosure because it was to be maintained for recreational or personal reasons. The following is from the initial article on this story:

Murkowski's office called the purchase exempt from Senate financial disclosure, citing a clause in the ethics manual which says "property which is held or maintained solely for recreational or personal reasons does not have to be reported."²³

The problem with that citation to the Senate Ethics Manual is that it is taken from the section on the reporting of assets.²⁴

Sen. Murkowski failed to disclose the purchase of the land under Part IV, "Transactions" of her 2006 Financial Disclosure Report.²⁵ The definition of transactions to be disclosed has no exemption for real property to be used for recreational or personal reasons. The requirement for the disclosure of transactions is taken directly from federal law.²⁶ The Senate Ethics Manual states the rule succinctly:

Senate Members, officers and employees must include in the Report a brief description, the date, and the category of value of any purchase, sale, or exchange of real property, stocks, Bonds, excepted investment fund (e.g., mutual fund) shares, commodities futures, or other forms of securities (including trust assets) that exceeds \$1,000. The category of value to be reported is the total purchase or sale price (or the fair market value in the case of an exchange), regardless of any capital gain or loss on the transaction.²⁷

There are no exceptions to the reporting requirements for transactions for land held for recreational or personal purposes in either the Senate Ethics Manual or the instructional manual for filing the Financial Disclosure Reports.²⁸

The second Financial Disclosure Report issue is whether Sen. Murkowski correctly and fully disclosed all necessary information regarding her financing of the land deal under Part VII, "liabilities" of her 2006 Financial Disclosure Report.

There are three distinct issues regarding the liability information disclosed:

²³ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>.

²⁴ "Types of Assets and Unearned Income Sources," Senate Ethics Manual, 108th Congress, 1st Session, 2003 Edition, pages 130-131.

²⁵ Exhibit A, at page 8.

²⁶ 5 U.S.C., app. § 102(a)(5).

²⁷ "Part IV: Transactions," Senate Ethics Manual, 108th Congress, 1st Session, 2003 Edition, page 133.

²⁸ Instructions: Public Financial Disclosure Report for the United States Senate, at page 14.

- **Date Incurred** - the filing was "11/0" which maybe a typo but certainly is not a date
- **Term if Applicable** - the filing was "15-yr" despite the fact that the maturity date on the financing records indicate a maturity date of January 1, 2046 which would indicate a 39-year term, not a 15-year term.²⁹ As KYUU-TV reported that First Bank had a maximum seven-year maturity date for loans for undeveloped land and senators are precluded under Senate Rule 35 (supra) from obtaining loans on conditions not available to the general public, misrepresenting the actual term of the loan may appear to be an attempt to hide the questionable special financing obtained by a senator on an otherwise questionable land deal.³⁰
- **Category of Amount of Value** - Sen. Murkowski was required to disclose the purchase price for the land within a series of categories of amount of value as part of her Part VII "Liabilities" disclosure. She failed to check any category.³¹ If the purpose of this omission was to hide the purchase price, it is certainly consistent with her failure to disclose sale price information under "Transactions" and her refusal (along with Mr. Penney's) to disclose the sale price when first asked by reporter Laura McGann. It appears that Sen. Murkowski was sensitive to the fact that she had purchased a valuable property for significantly below its true market value from a controversial real estate developer whose previous real estate venture with Alaska's other senator had brought a very critical reaction from the media and the public. Such sensitivity is consistent with Verne Martell's candid remark that his wife was concerned the land deal might "come back and bite us."³²

Apparent Violations Of the Senate's Gift Rule

The gravamen of this complaint is that a U.S. Senator purchased a valuable riverfront property for significantly less than its market value.

Senate Rule 35, paragraph 1(a)(1) of the Senate Code of Official Conduct provides that:

No Member, officer or employee of the Senate shall knowingly accept a gift except as provided in this rule.³³

²⁹ "Senator defends land purchase," by Jason Moore, July 20, 2007, <http://www.ktnu.com/Global/story.asp?S=6820560>

³⁰ *Id.*

³¹ Exhibit A, at page 9.

³² "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, <http://www.tpmuckraker.com/archives/003647.php>

³³ Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 22.

Under Senate Rule 35, paragraph 2(b)(1) the word "gift" is construed very broadly and includes any "item having monetary value."³⁴ There is no doubt that equity in property has "monetary value" nor is there any doubt that special loan terms not available to the public also has "monetary value" within the meaning of Senate Rule 35.

The facts in this case are clear. Sen. Murkowski purchased a very desirable riverfront property from Bob Penney at a price that appears significantly below the fair market value for the property. From the statements of realtors cited earlier who are very familiar with the Kenai River area we know that comparable properties of a similar size in the area sold since early 2006 sold for between \$250,000 and \$350,000. Those prices represent a range of value of \$70,600 to \$170,600 over the \$179,400 paid to Bob Penney from Sen. Murkowski. In effect, there is a gift of equity worth \$70,600 to \$170,600 to a United States Senator.

In any factual situation, the context often helps clarify the meaning of the facts. The context here is especially helpful. Consider the following questions:

Did Mr. Penney offer Sen. Murkowski a sweetheart land deal because of her position as a U.S. Senator?

The Senate Ethics Manual addresses this type of situation in a straightforward way by stating:

One should always be wary of accepting any gift, favor, or benefit that may not be offered "but for" one's position in the Senate.³⁵

In this case, Mr. Penney did not offer the property to sale to the general public but rather to Sen. Murkowski exclusively at a price well below what most knowledgeable realtors in the area felt such a parcel might fetch.

We don't have to wonder whether Mr. Penney is the type of person to offer an incredibly lucrative land deal to a senator because this is not the first time he has done so. In an Associated Press story, "Stevens investment grows at least 566 percent," the lead sentence sums up how a land deal offered by Penney to Sen. Stevens turned out;

Sen. Ted Stevens has turned a \$15,000 investment into at least \$100,000, and perhaps as much as \$250,000.³⁶

Penney left little doubt that the sweetheart land deal he offered Sen. Stevens was linked to the senator's position when he told a reporter that he invited Stevens into the deal in "appreciation for all he's done for Alaska and the country."³⁷

³⁴ Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 25.

³⁵ Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 22.

³⁶ "Stevens investment grows at least 566%," Associated Press, June 21, 2004

³⁷ "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for \$179,400

Mr. Penney's generosity to U.S. Senators does not end there. An *Anchorage Daily News* story from February 2007 recounts how Sen. Stevens was a repeated guest at The Golden Horn Lodge, an expensive Bristol Bay resort. Bob Penney was one of the four owners of the lodge when Sen. Stevens was staying there free of charge. When it was disclosed that Stevens had not paid, he quickly sent checks to cover his visits there in 2001 and 2003.³⁸

As previously noted, Stevens was also a business partner with Sen. Stevens in a racehorse along with former Veco executive Bill Allen, "who recently pleaded guilty to Federal bribery and conspiracy charges in a cash-for-votes scheme involving state lawmakers."³⁹

Additionally, Bob Penney was subpoenaed to testify recently before the grand jury which is part of an expanding federal investigation in political corruption in Alaska.⁴⁰

There appears to be very little doubt that Mr. Penney offered the valuable riverfront property to Sen. Murkowski at a price significantly below its market price precisely because of her position as a U.S. Senator.

Did Mr. Penney and Sen. Murkowski seek to hide their knowledge of the true value of the land?

Sen. Murkowski's failure to disclose the land transaction on her Financial Disclosure Report has already been reviewed.

Add to that, the fact that both she and Mr. Penney initially refused to tell reporters the sale price with Penney, going so far as to say "Why should I tell you?"⁴¹

The denial of knowledge of the value of a prime piece of real estate by a multi-millionaire developer who lived next to the property and an attorney/real estate investor turned U.S. Senator took on comic opera overtones when Penney told the press:

**"Word of honor, I did not know what the assessed value was,"
he said. "I thought it was still \$120,000."**

As noted, Penney had testified before a state hearing just months before about the surging property values along the Kenai River and had specifically noted that the value of

draws questions and criticism," by Brandon Loomis, *Anchorage Daily News*, July 19, 2007.

³⁸ "An invited guest, Stevens pays costs; Fishing Lodge: Senator pays bills from '01 and '03 to resolve any questions," by Lisa Demer, *Anchorage Daily News*, Feb. 11, 2007, page B1.

³⁹ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>

⁴⁰ "Justice Expands Stevens Investigation," by Matt Apuzzo, Associated Press, June 18, 2007.

⁴¹ "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, <http://www.tpmuckraker.com/archives/003649.php>

privately owned land had escalated from three hundred and thirty-five million dollars to "well over five hundred" in just three years.⁴² And the Kenai borough assessment showing the assessed value to be well over the \$120,000 assessed value which Penney was citing was sent out to him in March 2006.⁴³

For her part, Sen. Murkowski claims – without any specific evidence – that she paid fair market value for the property.⁴⁴

Again, the local media has done an excellent job of digging out and analyzing the facts. Here's the *Anchorage Daily News* assessment of Murkowski's claims:

In the Kenai River land sale, Sen. Murkowski "paid what she thought was a fair price for it at the time, based on what the borough said it was worth," according to Murkowski spokesman Sweeney.

That defense just doesn't wash. It's well known at the Kenai borough that its assessments lag behind market prices. Anyone who sells Kenai River real estate at the assessed value is either a fool or doing somebody a favor. Anyone who buys it at assessed value knows – or should know – she is getting a sweet deal.

When discussions about the price of this deal began, Sen. Murkowski should have offered to pay the going rate. Instead, she accepted a personal favor worth tens of thousands of dollars.⁴⁵

Were the terms of Sen. Murkowski's First Bank loan available to the general public?

On its face, a senator purchasing a prime piece of property for substantially less than its market value – especially when the sales offer was made exclusively to her and not the general public – constitutes a violation of the Senate Gift Rule. But it is not the only apparent violation of the rule in this case.

Just as Sen. Murkowski failed to properly disclose the sale price of the land, she also failed to properly disclose the terms of her loan from First Bank for the financing of the land deal.

⁴² "Penney told a different story at sport fishing hearing," by Laura McGann, <http://www.tpmuckraker.com/archives/003740.php>, July 20, 2007

⁴³ *Id.*

⁴⁴ "Murkowski knew land deal was questionable," by Jason Moore, July 24, 2007, <http://www.ktuu.com/global/category.asp?c=81466>

⁴⁵ "Lisa's Deal," *Anchorage Daily News*, July 19, 2007.

The definition of "gift" in the Senate Ethics Manual defines gift broadly as "anything of value" and it specifically lists loans as a possible gift.⁴⁶

Since loans have historically been used to facilitate corrupt relationships between elected officials and those seeking special favors,⁴⁷ loans are subject to scrutiny as possible violations of Senate Rule 35, the Gift Rule, when they appear to single elected officials out for special terms and conditions not available to the general public.

In this case, Sen. Murkowski received a loan from First Bank for undeveloped property with a stated maturity date of January 1, 2046, indicating a 39-year term.⁴⁸

First Bank's makes loans for undeveloped property available only with a maximum seven-year maturity.⁴⁹

It appears that Sen. Murkowski received loan terms not available to the general public.

Rule 35, paragraph 1(c)(19)(E) permits Members, officers and employees to accept opportunities and benefits that are available to a wide group, specifically stating that they may accept "loans from banks and other financial institutions on terms general available to the public."⁵⁰

As a former director of First Bank, Sen. Murkowski must be presumed to be familiar with the bank's policies for loans and must have known that a 39-year term was 32 years longer than the maximum term length available to the general public.

Perhaps even more telling is the fact that Sen. Murkowski then falsely reported on her 2006 Financial Disclosure Report that the term of the loan was 15 years.

It is also telling that her husband reported the following statement from his wife *when she signed the loan*:

"But, yeah, when we signed the loan, Lisa signed on it and said, you know, 'This might come back and bite us. Well, you know, we'll deal with that when it comes,'" Martell said.⁵¹

⁴⁶ Senate Rule 35, paragraph 2(b)(1)

⁴⁷ "Justice Dept. rebuts Rep. Hansen of Idaho," *The New York Times*, Nov. 9, 1984; Rep. Hansen was convicted in April 1984 of failing to report \$333,978 in loans on his annual financial disclosure report.

⁴⁸ "Senator defends land purchase," by Jason Moore, July 20, 2007, <http://www.ktuu.com/Global/story.asp?S=6820560>

⁴⁹ *Id.*

⁵⁰ Senate Ethics Manual at 40.

⁵¹ "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, <http://www.tpmuckraker.com/archives/003647.php>

These facts all combine to present a picture of a Senator with a background as a bank director knowingly obtaining a loan with a term far beyond the maximum term available to the public and then misrepresenting the term on her financial disclosure report by falsely stating the term as 15 years instead of 39 years.

While there is no indication that Sen. Murkowski used her position as a U.S. Senator to improperly favor the bank, the acceptance of a loan on terms not available to the general public certainly creates just the type of appearance of impropriety that the Senate Gift Rule was enacted to prevent.

The facts in this case are so strong that it is hard to imagine a more compelling case for violation of the Senate Gift Rule.

- A multi-millionaire real estate developer with a penchant for helping elected officials financially has sold a property to a senator at a price far below its market value.
- The property is next to his home and there is an audiotape of the same developer just months before the transaction stating how quickly the land in the very area of the transaction is appreciating.
- The developer denies knowing what the assessed value of the property was.
- Both the developer and the senator initially refuse to divulge the sale price.
- The senator fails to disclose the real estate transaction on her financial disclosure.
- The senator misrepresents the term of her financing while failing to disclose the financing amount, as required by the Ethics in Government Act.
- The senator tells her husband at the time of the deal, "This might come back and bite us."

Finally, the senator's husband is quoted as telling the media that they have started clearing the land to build on the property but the clearing has stalled because the couple expects a Senate ethics investigation.⁵²

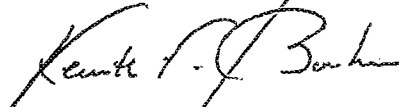
As Sen. Sam Ervin used to say, "Sometimes things are what they look like." This case looks like improper gifts being covered up with explanations so weak as to be

⁵² "Murkowski knew land deal was questionable," by Jason Moore, July 24, 2007, <http://www.ktuu.com/global/category.asp?c=81466>

laughable and misrepresentations and omissions on a Financial Disclosure Report to hide the transaction from the public.

The National Legal and Policy Center requests that the Senate Select Committee on Ethics conduct a thorough investigation into the matters set forth herein and take all appropriate disciplinary action.

Sincerely,



Kenneth F. Boehm
Chairman

Attachment: 2006 Financial Disclosure Report for Sen. Lisa Murkowski

EXHIBIT A

2006 Financial Disclosure Report
of
Sen. Lisa Murkowski

UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report Calendar Year Covered by Report:	Senate Office / Agency in Which Employed
MURKOWSKI	LISA	2006	UNITED STATES SENATE
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone Number (include Area Code)	Termination Report Termination Date (mm/dd/yyyy):	Prior Office / Agency in Which Employed
1400 H-709, WASHINGTON, DC 20510	202-224-6665		


AFTER READING THE INSTRUCTIONS, ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART.

	YES	NO		YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than \$305 from one source)? If Yes, Complete and Attach PART VI.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than \$200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Did you, your spouse, or dependent child have any reportable liability (more than \$10,000) during the reporting period? If Yes, Complete and Attach PART VII.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Did you, your spouse, or dependent child hold any reportable asset worth more than \$1,000 at the end of the period, or receive unearned or investment income of more than \$200 in the reporting period? If Yes, Complete & Attach PART IIIA and/or IIIB.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than \$1,000 in the reporting period? If Yes, Complete and Attach PART IV.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than \$305 and not otherwise exempt)? If Yes, Complete and Attach PART V.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	If this is your FIRST Report: Did you receive compensation of more than \$5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.	<input type="checkbox"/>	<input type="checkbox"/>

Each question must be answered and the appropriate PART attached for each YES response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. \$200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.		5/14/07
For Official Use Only - Do Not Write Below This Line		
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date (Month, Day, Year)

FOR OFFICIAL USE ONLY
Do Not Write Below this Line

RECEIVED
SECRETARY OF THE SENATE
07 MAY 15 AM 11:13

MURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

2

BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources		BLOCK B Valuation of Assets										BLOCK C Type and Amount of Income																			
Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.		At the close of reporting period. If None, or less than \$1,001, Check the first column.										If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.																			
												Type of Income					Amount of Income														
		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000**	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	Over \$25,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	\$1,000,001 - \$5,000,000	Over \$5,000,000	Actual Amount
S,	IBM Corp. (stock)			X																Example	X									Example	
Example: DC, or J	(S) Keystone Fund				X															Example										Example	
1	TD Waterhouse Cash	X												X																	
2	General Electric	X											X																		
3	State of AK Annuity Plan			X																	X										
4	American Century Small Cap Value Investor	X											X		X						X										
5	Resources Trust Cash	X											X																		
6	Masters Select Equity			X												X					X										
7	Allianz-RCM Global Healthcare Fund	X											X																		
8	American Century Intl. Discovery Fund		X												X																
8	Weitz Hickory Fund		X										X																		
10	MS Fund Op B		X										X																		

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.



Individual's Name

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

3

Brought to you by

BLOCK A Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which:
(1) had a value exceeding \$1,000 at the close of the reporting period; and/or
(2) generated over \$200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B Valuation of Assets

At the close of reporting period.
If None, or less than \$1,001,
Check the first column.

BLOCK C Type and Amount of Income

If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

		S, Example: DC, or J	IBM Corp. (stock)			X													Example	X										Example
		(S)	Keystone Fund			X													Example	X										Example
1	DC		MS S&P 500 Index Fund			X														X										
2	DC		MS American Fund Op B		X															X										
3	DC		MS S&P 500 Index Fund			X														X										
4	DC		MS American Fund Op B		X															X										
5	DC		T Rowe Price College Savings Plan		X															X										
6	DC		Wells Fargo (shares)		X															X										
7	DC		Wells Fargo (shares)		X															X										
8	J		MS S&P 500 Index			X														X										
9			T Rowe Price Equity Income Fund		X															X										
10			Masters Select Intl. Fund		X															X										

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐

FBI - Stevens-2791

Reporting Individual's Name
MURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Data Number

1

BLOCK A
Identity of Publicly Traded Assets
And Unearned Income Sources

BLOCK B
Valuation of Assets

At the close of reporting period.
If None, or less than \$1,001,
Check the first column.

BLOCK C
Type and Amount of Income

If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. (See p.3, CONTENTS OF REPORTS Part B of Instructions) for production of income or investment which:

- (1) had a value exceeding \$1,000 at the close of the reporting period; and/or
- (2) generated over \$200 in "unearned" income during the reporting period.

Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

S,	IBM Corp. (stock)
Example: DC,	(S) Keystone Fund
or J	

MS S&P 500

2

2.2.3

1

57

25

2

2

2

10

EX

22

• • • • •

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Brought to you by www.secrets.org

Reporting Individual's Name MURKOWSKI, LISA		PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES															Page Number 7											
BLOCK A Identify of Non-Publicly Traded Assets and Unearned Income Sources		BLOCK B Valuation of Assets								BLOCK C Type and Amount of Income																		
Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of instructions) for the production of income or investment in a non-public trade or business which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in "unearned" income during the reporting period. Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.		At the close of reporting period. If None, or less than \$1,001, Check the first column.								If "None (or less than \$201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.																		
										Type of Income					Amount of Income													
		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Actual Amount	Required if "Other" Specified
S,	JP Computer, Wash DC			X						X							Example	X									Example	
Example: DC, or J	Undeveloped land, Dubuque, Iowa				X												Example										Example	
1	First Bank (IRA-CD)	X								X								X										
2	First Bank (acct.)		X								X							X										
3	First Bank (shares)		X							X								X										
4																												
5																												
6																												
7																												
8																												
9																												
10																												

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.



Brought to you by | Government of Canada

Reporting Individual's Name

MURKOWSKI, LISA

PART IV. TRANSACTIONS

Page Number

8

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.					Transaction Type (x)		Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)											
					Purchase	Sale		Exchange	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	
Identification of Assets																			
S, Example: DC, or J					IBM Corp. (stock) NYSE	X			2/1/0X	X				X		M	P	L	
					(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X			X		X		M	P	L	
1		Allianz-Rem Global Healthcare Fund				X		11/10/06	X										
2		American Century Intl. Discovery Fund				X		11/08/06	X										
3		American Century Small Cap Value Investor				X		11/08/06	X										
4		TWC Galileo Value Op				X		11/08/06	X										
5		TCW Dividend Focus Fund			X			11/09/06	X										
6		Resources Trust Cash			X			11/08/06	X										
7		Resources Trust Cash			X			11/10/06	X										
8		Resources Trust Cash			X			11/08/06	X										
9		Resources Trust Cash			X			11/08/06	X										
10																			
11																			
12																			

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
 *** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐



Reporting Individual's Name
MURKOWSKI, LISA

PART VII. LIABILITIES

Page Number

9

Report liabilities over \$10,000 owed by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions), to any one creditor at any time during the reporting period. Check the highest amount owed during the reporting period. Exclude: (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in Instructions. See Instructions for reporting revolving charge accounts.

500

Name of Creditor		Address	Type of Liability				\$10,000	\$15,000	\$50,000	\$100,000	\$250,000	\$500,000	Over	\$1,000,000	\$5,000,000	\$25,000,000	Over
S, Example: DC, or J	First District Bank	Wash., DC	Mortgage on undeveloped land	1991	13%	25 yrs		X		E	X	A	M	P	L	E	
	(J) John Jones	Wash., DC	Promissory Note	1999	10%	On demand			X	E	X	A	M	P	L	E	
1	J Wells Fargo	Anchorage, AK	Mortgage on commercial property	6/99	Prime	15 yrs											
2	J First Bank	Kenai, AK	Mortgage on undeveloped land	11/0	7%	15 yrs											
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset was held independently by the spouse or dependent child. If the asset was either held by the filer or jointly held, use the other categories of value, as appropriate.

☐



Broughton
by
Open
Secrets
Inc.

Reporting Individual's Name

MURKOWSKI, LISA

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Page Number

10

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

Name of Organization		Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	National Assn. of Rock Collectors	NY, NY	EXAMPLE	Non-profit education	President	6 / 90
	Jones & Smith	Hometown, USA	EXAMPLE	Law Firm	Partner	7 / 85
1	U. S. Japan Friendship Commission	Washington, DC	Ind. Federal Agency	Member	2005	present
2	New Frontiers Ventures LLC	Anchorage, AK	Real Estate	Member	1999	present
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

Compensation in excess of \$200 from any position must be reported in Part II.

1

PSI

On May 5, 1994, [redacted] provided the following information to Special Agents (SAs) [redacted] and [redacted]

b2
b6
b7C
b7D

Source has learned through his own research that U.S. Senator TED STEVENS (R-Alaska) purchased a luxury car with his excess campaign funds after his 1990 Senate campaign. At the end of the campaign, the campaign had \$161,000.00 of cash on hand and purchased a new Lincoln Town car in June, 1991, for just under \$32,000.00. This car was purchased from SEEKINS FORD-LINCOLN MERCURY of Fairbanks, Alaska. The car was delivered to STEVENS in Washington, D.C., where it is being used by STEVENS and his staff.

This information has been confirmed in newspaper articles in which STEVEN's staff is quoted admitting this car purchase took place. However, the STEVEN's campaign officials defended the practice in the newspaper article by claiming the car was only used for campaign related purposes in Washington, D.C. It is Source's understanding that STEVENS still has possession of and uses a car that he purchased with campaign funds and that this is apparently in violation of Federal Election Commission (FEC) regulations and may be in violation of Federal law.

In addition, Source notes that STEVENS was a driving force in the U.S. Senate to postpone the implementation of a new campaign reform law which would bar Senators from using excess campaign funds for "official" expenses such as the purchase of vehicles. The common practice for many years has been for U.S. Senators to raise much more money for their campaigns than they need and then spend some of that excess funds for a variety of "official purposes" which in effect only provide perks and luxuries to the Senator. For example, Senators would use their excess campaign funds to buy sporting event tickets, furniture, legal services, vehicles and other items that they claim are official but in fact are only luxury items with very little to do with the Senator's official business. The U.S. House of Representatives on the other hand, has stricter campaign regulations and has prohibited the use of excess funds in this manner since 1977.

58C-WF-1876-387-132

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 6 2 1994	
FBI - WASH. METRO FIELD OFFICE	

Spy 'clubs' now focus of defense graft investigation

By Paul Bedard
THE WASHINGTON TIMES

The broadening investigation of alleged Pentagon fraud and bribery is focusing on contractor espionage units, defense consulting cliques and "clubs" of friendly arms makers, according to congressional sources and court papers.

Investigators in the two-year probe are targeting the groups' efforts to ferret out sensitive and proprietary information from military and congressional offices that store the data, knowledgeable sources said.

At the heart of the growing scandal, law enforcement and congressional sources said, are three types of loose organizations in the defense community which have a similar function — obtaining classified information to give their firms a competitive edge in bidding, sometimes in exchange for a bribe.

The groups are:

- Espionage units set up by contractors.
- The specialized units tapped Pentagon moles with

access to budget and program documents. The testimony of former Justice Department fraud investigator Robert Segal — scheduled for delivery in 1985 but blocked by Justice authorities who feared it would jeopardize ongoing investigations — said the espionage units' main function is to obtain copies of highly classified documents in order to give their companies a competitive edge."

- Close-knit groups of defense consultants who often traded information they had gathered.

Defense consultants, many of whom work for competing companies, traded classified information gathered on the job to other consultants in exchange for a follow-up favor, according to several consultants interviewed. In a representative

case detailed by a congressional source yesterday, a consultant tried to sell information collected for one defense firm to another defense firm that was a potential customer.

- Informal clubs of top Washington defense firm officials.

Secret groups of Washington-based defense company officials gathered monthly to divvy up assignments to get classified information. According to a source involved in such a club, his group would meet a month later to split up portions of the documents gathered. "In order to get a piece, you need a whole document," said the source. "It was kind of a good ol' boy circle."

Most of the information sought by these informal organizations pertained to internal budget plans, but some included specific program information, sources said.

The payoff in some cases were bribes or subsequent jobs with contractors, according to law enforcement and industry sources.

One consultant told The Washington Times that payoffs sometimes came in the form of elaborate schemes. For example, a defense consultant said to be a target of the probe hosted, high-stakes card games with Pentagon moles. The consultant would lose substantial sums of money to the officials during the games, sometimes as much as \$5,000.

"Card games are an efficient way to pay back" traffickers of sensitive information, said the consultant.

The target of those information-gathering groups was Pentagon program offices and, to a lesser degree, congressional staffs, industry sources said.

In the probe made public last week, the FBI has searched the offices of several defense consultants and major contractors, looking for Pentagon documents. The staffs of a handful of congressmen also are being reviewed, law enforcement sources said.

Despite statements to the contrary by many congressmen this week, the classified information is readily available on Capitol Hill — not just the Pentagon.

"As a routine matter, of course, documents stamped 'restricted' are available," said a Senate staff member who deals with defense matters.

Said Sen. Ted Stevens, Alaska Republican and ranking member of the Senate defense appropriations subcommittee: "We handle almost a trillion dollars. . . . Of course there's information up here."

Mr. Stevens, comparing the alleged corruption within the defense industry to that in other large business sectors, said, "In this case, industrial espionage has touched the government."

The Pentagon has made repeated attempts — most recently in 1984 — to clamp down on the leakage of classified documents, but recent investigations indicate little has changed. For example:

- The Washington office of General Dynamics Corp. in late 1985 temporarily lost its security clearance after the Defense Investigative Service found classified budget papers at the firm.

- A GTE Corp. consultant was indicted for turning over classified Navy budget documents to the firm. The electronics company pleaded guilty in 1985 to a related charge of conspiring to use stolen classified material, according to court papers.

"There doesn't appear to be a clear distinction between espionage and market research," said a congressional source who works for one senator briefed on the ongoing defense fraud investigation. "They make their career on going out to get the best available information — and you know what people will do to advance their careers."

- Mary Belcher contributed to this report.

58A-2151-545 FR-136

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 23 1988	
WMFO	
FBI - ALBANY	

15-a

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

Admin.	
Comp. Syst.	
Ext. Affairs	
Files & Com.	
Gen. Inv.	<i>AW</i>
Ident.	
Inspection	
Intell.	
Laboratory	
Plan. & Eval.	
Spec. Inv.	
Training	
Legal Coun.	
Telephone Rm.	
Director Sec'y	

NR002 AN PLAIN

5:33 PM NITEL 11-14-74 DDD

TO DIRECTOR

FROM ANCHORAGE (89-8)

NOV 14 1974
TELETYPE

mark

A.F.O.

D.C.

[] (PH). THREAT TO KILL SENATOR TED

X STEVENS (ALASKA). AFO-CAS *E*

[] FEDERAL ENERGY ADMINISTRATION, ANCHORAGE

OFFICE, ADVISED INDIVIDUAL GIVING THE NAME OF []

ON TELEPHONE, CALLING FROM TOK, ALASKA, ADVISED HE WAS

TRANSPORTING NEW CADILLAC ELDORADO FROM DETROIT TO *MICH.*

ANCHORAGE AND COULD NOT OBTAIN UNLEADED GASOLINE IN TOK.

CALL RECEIVED 10:30 AM, NOV 14, 1974. [] SAID IT WAS

NECESSARY FOR HE AND FAMILY TO SIT IN STRANDED CAR IN TEN

DEGREE BELOW WEATHER AS WAS UNABLE TO OBTAIN UNLEADED GAS.

HE SAID HE WAS ON HIS WAY TO ANCHORAGE AND TOLD THE

RECIPIENT OF THE CALL, "YOU TELL THAT GODDAMN [] THAT

WHEN I GET TO TOWN HE'D BETTER HAVE HIS ASS OUT OF THERE,

I'LL KILL THE S. O. B." CALLER ALSO STATED IF HE HAD "A

HOLD OF SENATOR STEVENS HE WOULD KILL THE WHOLE BUNCH".

SINCE NO VIOLATION EXISTS UNDER AFO STATUTE, MATTER *22* NOV 18 1974

REFERRED TO ANCHORAGE POLICE AND ALASKA STATE TROOPERS.

SENATOR STEVENS OFFICE, ANCHORAGE, AND SECRET SERVICE ADVISED.

END

*Relayed USSS
11/15/74 11:00 a.m.
WAW:sls 51 NOV 1974*

*XEROX
B5C
NOV 21 1974*

CC - [] *Ext Affairs*

FBI - Stevens-2800

b6
b7C

UNRECORDED COPY FILED IN 62-109276-1588

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/09/2005

On 09/08/2005 Deputy United States Marshal (DUSM) [REDACTED] United States Marshals Service (USMS), Joint Terrorism Task Force (JTTF), Anchorage Division, interviewed [REDACTED] (PROTECT IDENTITY), phone numbers [REDACTED]. [REDACTED] is the [REDACTED] Transportation Security Administration (TSA) at the Ted Stevens International Airport, Anchorage, Alaska. [REDACTED] was advised of the interviewing Agent's identity and the purpose of the interview. [REDACTED] provided the following information:

[REDACTED] said that [REDACTED] is located at the Ted Stevens International Airport, Anchorage, Alaska and that [REDACTED] is in a location that [REDACTED] the South tarmac and hangar area of said airport, which includes the aircraft hangar which used to be known as the "FS Air Hangar", this hangar used to house the now defunct air carrier "FS AIR".

[REDACTED] indicated that he now believes the hangar houses Regional Protective Services (RPS) and Security Aviation.

[REDACTED] said the [REDACTED] for TSA at the Ted Stevens International Airport is an attorney named [REDACTED] and that [REDACTED].

[REDACTED] said [REDACTED] has told him that his friend and former business associate, [REDACTED] the business at the old FS Air Hangar (Regional Protective Services and Security Aviation). Both [REDACTED] and [REDACTED] were [REDACTED] for the State of Alaska.

[REDACTED] said [REDACTED] often contacts [REDACTED] on the phone and [REDACTED] and see a new aircraft which [REDACTED] company has just purchased.

[REDACTED] said [REDACTED] requested information from [REDACTED] from time to time such as TSA procedures and security regulations with specific interest on how [REDACTED] could get certain [REDACTED] and other subjects of interest. [REDACTED] advised [REDACTED] and [REDACTED] are good friends and is not sure of the propriety of some of the information disseminated by [REDACTED] to [REDACTED].

b6
b7c

Investigation on 09/09/2005 at Anchorage

File # 272D-AN-14342

Date dictated 09/08/2005

FBI - Stevens-2801

by DUSM [REDACTED]

272D-AN-14342

Continuation of FD-302 of [REDACTED]

On 09/09/2005, Page 2

[REDACTED] said [REDACTED] at least two monthly Joint Terrorism Task Force (JTTF) meetings, [REDACTED] as well as went on the British Petroleum North Slope Oil Field Law Enforcement Tour in [REDACTED]

[REDACTED] was introduced to [REDACTED] and to [REDACTED] business partner, [REDACTED] by [REDACTED]

[REDACTED] told [REDACTED] he was [REDACTED] Anchorage police officer, [REDACTED] [REDACTED] observed that [REDACTED] had all the police vernaculars down pat as though he had been an officer or agent in the past. [REDACTED] also alluded to having been in the military, however did not say which branch, when he had served or where. [REDACTED] further said employees at the RPS/Security Aviation hangar referred to [REDACTED] as [REDACTED]

[REDACTED] said [REDACTED] appeared to be a person who likes people to think he is a [REDACTED]

[REDACTED] said [REDACTED] has told him that he has access to [REDACTED]

[REDACTED] said [REDACTED] has told him that if he [REDACTED] ever needs an aircraft (large or small) for work or any reason, he could have the use of one of the aircraft for no charge, "Any time you need an aircraft it's yours". [REDACTED] made the observation that [REDACTED] seems to think of himself as the [REDACTED]

b6
b7c

[REDACTED] told [REDACTED] that a city police officer [REDACTED] was going to fly a helicopter he had just brought [REDACTED]

[REDACTED] further told [REDACTED] he had purchased two [REDACTED] [REDACTED] said he has seen one of the aircraft on the tarmac in front of the old FS Hangar.

[REDACTED] said [REDACTED] told him that he has or is working for a government law enforcement agency but did not say which one and then indicated he has received large sums of money in the past from whatever agency he worked with and/or for. [REDACTED] said he has an [REDACTED]

FBI - Stevens-2802

272D-AN-14342

Continuation of FD-302 of [REDACTED]

On 09/09/2005, Page 3

[REDACTED] indicating some sort of official designator but [REDACTED] did not know what [REDACTED] was talking about.

[REDACTED] told [REDACTED] that [REDACTED] has said his companies have [REDACTED] contracts and several [REDACTED] contracts at the present time and is going to have more contracts soon. [REDACTED] has told [REDACTED] that he has purchased a large track of land on the [REDACTED] and are going to build a large hangar complex at that location.

[REDACTED] said he was invited to an open house at the Security Aviation hangar approximately one month ago but could not attend. [REDACTED] said he has been to the hangar [REDACTED] in the recent past and on one occasion observed an electronic marquee welcoming Congressman DON YOUNG and wishing him a good fishing trip. [REDACTED] told [REDACTED] Congressman YOUNG has been to the Security Aviation hangar several times and Senator Ted Stevens has also visited the Security Aviation hangar.

[REDACTED] has observed U.S. military personnel at the Aviation Security hangar and that it is his belief that they are employed by Security Aviation or RPS.

[REDACTED] does not know where [REDACTED] or [REDACTED] have obtained the funding to make such purchases as they have in such a short period of time. [REDACTED] has been told of or has heard of several alleged sources, i.e., Government contracts, Native Corporations and secret project funds. [REDACTED] said he has no good idea of the funding but believes the companies and the two owners, [REDACTED]

Complaint Form

NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☒ Negative ☐ See below

Subject's name and aliases [redacted] aka [redacted] aka [redacted]				Character of case FUGITIVE MATTERS; BANK FRAUD; ORGANIZED CRIME - LCN Complainant <input type="checkbox"/> Protect Source [redacted] Complaint received by [redacted] Field Office <u>Anchorage</u> Telephone [redacted] <input checked="" type="checkbox"/> Personal <input type="checkbox"/> Telephonic Date <u>11/15/2006</u> Time <u>4:45 pm</u>				b2 b6 b7C
Address of Subject				Complainant's address and telephone number Motel 6. [redacted] Anchorage, AK [redacted] cell Complainant's DOB [redacted] Sex [redacted]				
Subject's Description	Race	<input type="checkbox"/> Male	Height	Hair	Build	Birth date and birth place		
	Age	<input type="checkbox"/> Female	Weight	Eyes	Complexion	Social Security Number		
	Scars, marks and other data							
Employer			Address			Telephone		
Vehicle Description								
<p>Facts of Complaint</p> <p>On 11/15/2006, [redacted] and [redacted] a married couple, contacted Anchorage in person and advised that they had information about a fugitive wanted on America's Most Wanted (AMW). [redacted] and [redacted] advised that they thought the identity of [redacted] aka [redacted] dob [redacted] SOC [redacted] FBI [redacted] NCIC [redacted] and [redacted] who was featured on AMW as being wanted out of Tucson, Arizona for Manslaughter and DUI. Indices showed that [redacted] is the subject of UFAP case 88-PX-49805. NCIC shows Tucson Sheriffs and Phoenix FBI warrants still outstanding.</p> <p>[redacted] advised that he grew up with [redacted] in Coral Gables,</p>								
<div style="border: 1px solid black; width: 150px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; margin-top: 5px;">(Complaint received by)</div>						<div style="border: 1px solid black; padding: 10px; text-align: center;"> Do not write in this space. </div> <div style="text-align: center; margin-top: 20px;"> FBI - Stevens-2804 BLOCK STAMP </div>		

Florida in the 1970s. He knew her siblings, [REDACTED]
[REDACTED]

CARLTON advised that this information was given to Alaska State Trooper [REDACTED] in July of 2006.

[REDACTED] advised that [REDACTED] had guns in her house. She had guns under her pillow, a shotgun under the bed, a gun under the couch and next to a chair. There were drugs in the dresser in the bedroom. [REDACTED] advised that [REDACTED] had two kids: [REDACTED] was the spitting image of the age enhanced photo of [REDACTED] featured on AMW's website. Her other child was [REDACTED] provided P.O. Box 231, Sterling, Alaska 99672 as DEMILTA's address. [REDACTED] phone number was [REDACTED] and her cellphone was [REDACTED] Her email address was [REDACTED]

b6
b7C

[REDACTED] and [REDACTED] provided copies of AMW website printouts featuring [REDACTED]. They provided copies of newspaper articles printed from the internet advising that [REDACTED] had worked for the [REDACTED] and had dropped out of the [REDACTED] election for [REDACTED]

Indices was negative for [REDACTED]. A check of [REDACTED] and [REDACTED] for [REDACTED] revealed that [REDACTED] was described as a white female, dob [REDACTED] pob [REDACTED] SOC [REDACTED] 33-8257, AK driver's license [REDACTED] 5'6" 121 lbs., brown hair, green eyes, [REDACTED] [REDACTED] had an extensive criminal history from New York, Florida, and Alaska. There was nothing from Arizona.

Driver's license photos of [REDACTED] and [REDACTED] [REDACTED] and AMW's age enhance photos of [REDACTED] were compared. There is a strong resemblance between [REDACTED] [REDACTED] driver's license photo and the age enhanced photo. There is a resemblance between [REDACTED] driver's license photo and the age enhanced photo. However, due to the fact that [REDACTED] fingerprint based FBI number being different from [REDACTED] FBI number, [REDACTED] not appearing to have spent time in Arizona, and other factors, it appears these people are NOT identical.

b2
b6
b7C
b7E

[REDACTED] advised that [REDACTED] had attempted to commit bank fraud by using a fake power of attorney note to gain access to [REDACTED] bank accounts at FIRST NATIONAL BANK OF ALASKA (FNBA), [REDACTED] Anchorage, Alaska. [REDACTED] provided a copy of a note that states "I, [REDACTED] do hereby give, [REDACTED] authority to handle some all of my personal affairs as I cannot handle anything right now." It was signed by [REDACTED] with her Alaska driver's license number under that. Under that was

[redacted], and it was dated 10/5/05 with [redacted] phone number under that. [redacted] advised that she learned of this note by accident one day at FNBA and immediately revoked it. The note had underneath the above written "I [redacted] Revoke this and any other letters to [redacted] as of 4-21-06." The handwriting for all of this appeared to be identical. The note was from a fax sent from [redacted] and was dated 12/14/2005 at 11:15am.

[redacted] advised that their insurance agencies were taking money out of their accounts for insurance but that they did not have insurance coverage.

[redacted] advised that her IRAs had been cashed out ten days before [redacted] GLEN ORAN SCOTT, died.

SCOTT advised that [redacted] had dispensed OxyContin to her when she was allergic to it. In December of 2004, per [redacted] was in McKinney, Texas, when there was a highly publicized murder of a realtor in McKinney. [redacted] husband of [redacted] and his [redacted] departed about the same time and have not been seen since. Neither returned to Alaska when [redacted] returned to Alaska. [redacted] advised that in Plano, Texas, a body was found in the back of Camry that was decomposed to the point of being unable to identify the deceased. [redacted] advised that [redacted] stated that you can decompose a body through the use of lyme.

b6
b7C

[redacted] and [redacted] advised that [redacted] claimed she was [redacted] and placed in the [redacted]

[redacted] advised that [redacted] (phonetic), [redacted] with [redacted] and working with [redacted] made a comment that she would be out of town and that she had to go to Texas for a funeral before the McKinney murder took place. [redacted] provided a photo from the internet that they said had a [redacted] (the white female, long black hair, black blouse and slacks on the right side of the photo) in it for the funeral. They wanted to know how [redacted] knew there was going to be a funeral days before the murder took place.

b6
b7C

[redacted] advised that when they were selling their house, [redacted] an Assistant United States Attorney (AUSA), from Oregon contacted them and said that they should not have dealing with [redacted] Wasilla, Alaska. Indices reflect that there is a [redacted] as an AUSA in Oregon.

[redacted] advised that there was no appraisal done for their house. When one was finally done by the buyers, the bank

would not let them see the appraisal.

[redacted] advised that [redacted]
A check of indices was negative for any information pertaining to
GLENN ORAN SCOTT, dob 1/7/1929, SOC 327-20-1105, pob Chicago, IL,
deceased. GLENN SCOTT was, per [redacted] friends with [redacted]
[redacted] of FNBA) and U.S. Senator TED STEVENS (R-AK).

b2
b6
b7C
b7E

A check of indices was negative re GLENN SCOTT. A
check of the [redacted] was
negative for any information indicating criminal activity by
GLENN SCOTT. NCIC and [redacted] were negative for wants and warrants
on GLENN SCOTT.

[redacted] advised that her daughters practice signing her
name all of the time in order to forge documents. They have even
dressed like her, walking around town impersonating her.

[redacted] and [redacted] advised that they wanted [redacted]
in the [redacted] because of her [redacted]
[redacted]

[redacted] advised that they found amongst GLENN's things
was what looked like a circuit breaker box with a key lock. It
appeared to be some type of a recording system. It had two
buttons: Playback & Record. GLENN also had a timing light
device that was a surveillance device of some kind. [redacted]
advised that he used to work as a [redacted] for [redacted]
[redacted] in Ft. Lauderdale, Florida where they
shipped surveillance equipment out, so he knew what surveillance
equipment looked like. [redacted] advised that they gave the box to
Alaska State Trooper [redacted] who put on latex gloves and
took possession of the box.

b6
b7C

[redacted] and [redacted] advised that they found a box with
cassette tapes in it. They provided one tape with "12/7/87 1800
68" on it to writer.

[redacted] advised that [redacted]
[redacted] aka [redacted], requested that she get the
surveillance equipment from the garage. [redacted] advised that [redacted]
[redacted] wrote the will of GLENN SCOTT. A copy of which was provided
to writer. The will made [redacted] and [redacted] co-executors of his
will. The will was dated 1/27/2005 and signed by GLENN SCOTT at
Palmer, Alaska. Both [redacted] and [redacted] witnessed this signing.

[redacted] stated that she thought [redacted] might be involved
with the [redacted] In addition to [redacted] wanting the

surveillance equipment [redacted] overheard her telling someone that she wanted the [redacted] or else she would call in a favor. [redacted] is a friend of [redacted] who got fired from [redacted] when it closed its Alaska office.

[redacted] advised that [redacted] Palmer, Alaska [redacted] GLENN SCOTT's \$20,000 tool collection from [redacted]. He paid her \$540 and took all of the tools. When she requested them back, he asked for the money back before he [redacted]. [redacted] advised that this was extortion and that he contacted Palmer (Alaska) Police about it. They told him it was a civil matter.

b6
b7C

[redacted] advised re the selling of her [redacted] house that somebody refinanced a loan back in 1989. She knew nothing about the loan. She also advised that her Permanent Fund Dividend was being garnished by the Alaska Housing Finance Corporation.

[redacted] advised that the sale of her [redacted] house was an "as is" deal with the realtor. They said their copy of the contract was missing.

[redacted] advised that GLENN SCOTT worked at Amchitka Island (Alaska) on the over-the-horizon (OTH) radar.

[redacted] advised that her husband worked with [redacted] who worked out of [redacted] office in Seattle. [redacted] was Maria also. [redacted] was not sure if he was still alive. [redacted] advised that she and her husband moved to Alaska from Seattle in [redacted] was negative in indices.

[redacted] advised that they were staying at the Motel 6. He indicated that people who he believed were FBI were across the field from him keeping him under surveillance.

[redacted] was described as a white male, 6'0" 220 lbs., dob [redacted] pob [redacted] SOC [redacted] Alaska driver's license [redacted] FBI [redacted] He was negative for wants and warrants in NCIC and [redacted] He was negative in indices.

b2
b6
b7C
b7E

[redacted] was described as a white female, 5'0" 130 lbs., dob [redacted] pob [redacted] SOC [redacted] Alaska driver's license [redacted] She was negative for wants and warrants in NCIC and [redacted] She was negative in indices. [redacted] admitted that she suffered from [redacted] and [redacted]

A review of [redacted] revealed that on [redacted] the Palmer post of the Alaska State Troopers (case [redacted] responded to a Suspicious Circumstances at [redacted] It was reported

that someone had tampered with [redacted] and [redacted] vehicle the previous night and they thought they heard someone outside. [redacted] and [redacted] thought someone was out to kill them. Troopers were unable to locate anybody around the vehicle. [redacted] and [redacted] said that someone was sneaking around. Troopers looked at the area around the vehicle and no bomb was found. The case was closed by log same day.

Trooper case [redacted] pertained to the troopers on 10/5/2006 responding to a Patrol Request at [redacted] because [redacted] reported someone tapping on their back door. [redacted] advised that he saw a strange vehicle in the area and someone was dressed in black across the street earlier in the day. Troopers contacted SCOTT and [redacted] and their neighbors. Nothing suspicious was found in the area. The case was closed by log the same day.

b6
b7C

Trooper case [redacted] pertained to the Troopers responding to a Patrol Request at [redacted] on [redacted]. It was reported that a vehicle pulled into [redacted] and [redacted] neighbors driveway and then turned off its lights. Troopers responded, and the vehicle was gone on arrival.

Trooper case [redacted] pertained to a Welfare Check - Person on [redacted] [redacted] requested troopers check on her mother, [redacted] had not heard from her mother in a week and there was no answer on the phone or door at her residence. [redacted] was concerned because her mother had [redacted]. She said that [redacted] husband [redacted]. Troopers checked the residence and all parties were okay. The case was closed by log the same day.

Palmer (Alaska) Police case [redacted] dated [redacted] pertained to Palmer Police responding to a Civil Problem at [redacted] Palmer, Alaska. It noted that wife [redacted] to some unknown guy. [redacted] that she had to sell for her and had not returned her calls or given her money [redacted] that she gave him. [redacted] may have had information on an America's Most Wanted person.

b6
b7C

Palmer Police case [redacted] dated [redacted] pertained to a Civil Problem. Palmer PD was requested by [redacted] and [redacted] that an officer arrest an employee of [redacted] and [redacted] for entering his house which was up for sale, by breaking the lock. Palmer Police advised that the house was a foreclosure sale and that no breaking and entering occurred.

[redacted] and [redacted] provided writer with a U.S. Department of Homeland Security (DHS) lapel pin which they said belonged to her daughter, [redacted]. The pin had the name "TOM RIDGE" (first head of DHS) on the back. [redacted] advised that she

had never attempted to impersonate a DHS official but wanted the FBI to have the pin.

Attached to this document are copies of what [redacted] and [redacted] provided writer. Attached are photos of [redacted] and [redacted] and an age enhanced photo of [redacted]

On 11/27/2006, writer made contact with Trooper [redacted] [redacted] advised that his contact with [redacted] and [redacted] was on a purely non-official basis. [redacted] advised them that he was not acting in the capacity of an Alaska State Trooper during his dealings with them.

[redacted] advised that he had met with them while purchasing their home from foreclosure. [redacted] is in the process of tearing down, rebuilding, and reselling this house. [Trooper [redacted] is no relation to the earlier mentioned [redacted]]

b6
b7C

[redacted] advised that at one point, his partner [redacted] (also a trooper), received a phone call from [redacted] advising that they were on the road and that [redacted] [redacted] advised that this was a federal program.

[redacted] stated that none of the information provided to him or [redacted] rose to the level that merited further investigation at an official level. [redacted] advised that the small breaker box provided to them by [redacted] had two toggles in it marked "Play" and "Record" and had wires coming out of it. However, without knowing where they lead it would be impossible to determine what the purpose this device might have had.

[redacted] advised that [redacted] provided him another "timing light" like device which [redacted] looked at and determined was an old (really old) timing device. [redacted] thought it might be a surveillance device of some type.

b6
b7C

[redacted] advised that both [redacted] and [redacted] seemed very paranoid and thought people were following them.

[redacted] did mention that the house which [redacted] and [redacted] sold appeared to have lots of phone lines in it. These were open lines, and their purpose was unknown. It would be impossible to determine if this was a home business, home repair job (very popular in Alaska), or something illegal.

(06/01/1975)

DATE: 12-20-2010
CLASSIFIED BY 65179 DMH/SBS
REASON: 1.4 (c,d)
DECLASSIFY ON: 12-20-2035

~~SECRET~~
FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: January 2, 1997

To: San Francisco

Attn: SSA [REDACTED]

From: SA [REDACTED]

Sq 4

Contact: SA [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED] jtd

Case ID #: [REDACTED]

(S)

Title: [REDACTED] OO: San Francisco

~~(S)~~

b1
b6
b7C

Synopsis: Dissemination of data from [REDACTED]

~~(S)~~

Classification: This document is classified "~~SECRET~~ /ORCON" in its entirety unless otherwise marked. ~~(S)~~

(U)

Administrative:

(S)

Classified by: 6497, FBI San Francisco
Reason: 1.5 (c)
Declassify on: X 1

~~SECRET~~

~~SECRET~~
ORCON

RECEIVED AT ROTOR 4/21/97

47 5/6/97

[Handwritten signatures and initials]

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 02 1997	
FBI - SAN FRANCISCO	

b1
b6
b7C

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

FBI - Stevens-2811

(S)

~~SECRET~~

To: San Francisco From: SA [redacted]
(S) Re: [redacted] January 2, 1997

Details: [redacted]

(S)

(S)

(S)

(S)

b1
b6
b7C

2

Classification: ~~SECRET/ORCON~~
Reason: 1.5 (C)
Declassify: X 1

FBI - Stevens-2812

~~SECRET~~

To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

b1
b6
b7C

(S)

(S)

(S)

(S)

b1

3

Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (C)~~
Declassify: ~~X 1~~

FBI - Stevens-2813

~~SECRET~~

(S) To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)



b1
b6
b7C

4

Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (C)~~
Declassify: X 1

FBI - Stevens-2814

~~SECRET~~

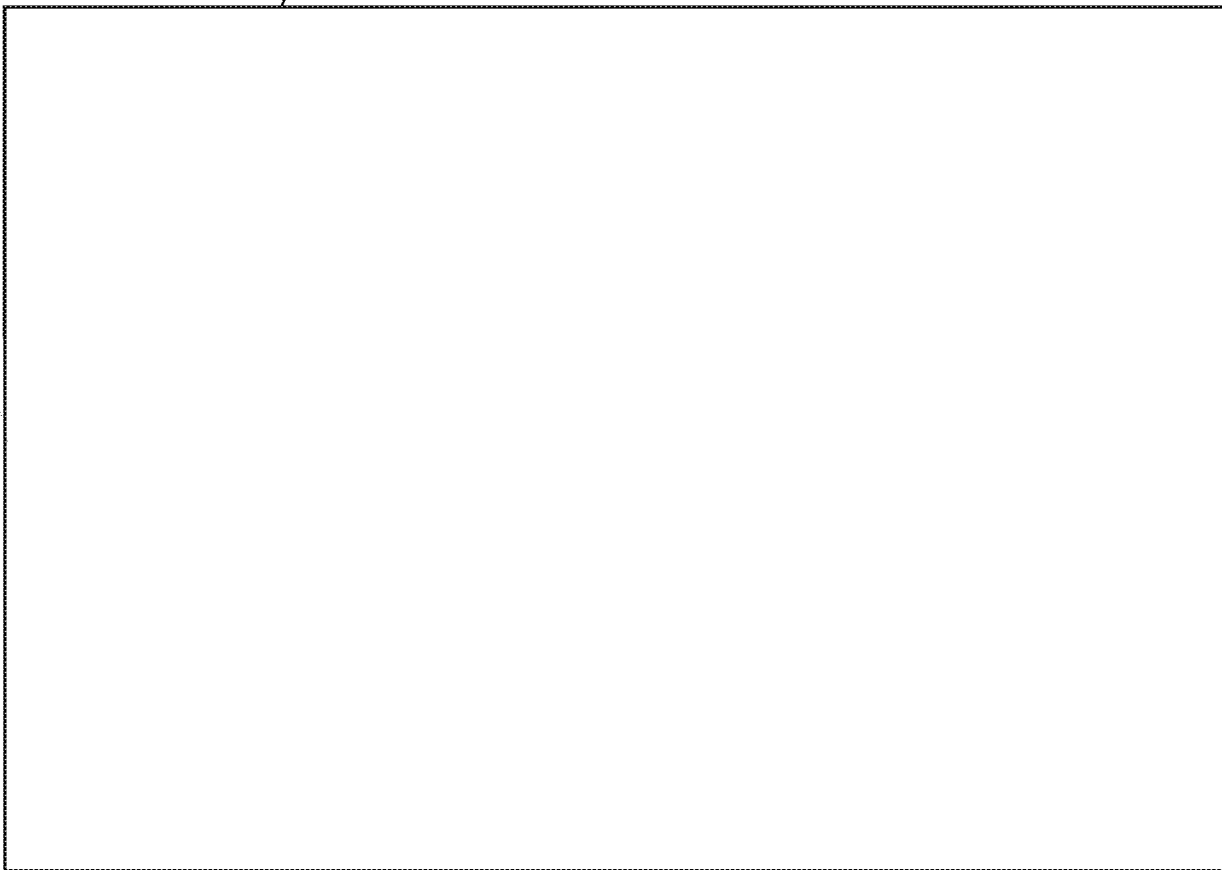
(S) To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)



b1
b6
b7C

(S)



5

Classification: ~~SECRET~~/ORCON
Reason: 1.5 (C)
Declassify: X 1

FBI - Stevens-2815

4
4 H

~~SECRET~~

TO: San Francisco From: EA [redacted]
Re: [redacted] January 22, 1997

18 F

2

1

2%

17?

E

b1
b6
b7c

6

Classification: ~~SECRET~~/ORCON
lassif Reason: 1.5 (c)
Declassify: X 1

35// E-*~C18I"~.-1.-y.9292X921

FBI - Stevens-2816
FBI Stevens-2816

1551
u

~~SECRET~~

To: 92 San Francisco From: SA [redacted]
Re: [redacted] January 27, 1987

(S)

(iB)

1
kg 11

§1
1
11
11

h1
1
51
V1

7

Classification: ~~SECRET/ORCON~~
Reason: 1.5 (c)
Declassify: X 1

FBI - Stevens-2817

b1
b6
b7C

b1
b6
b"/925/

1, %%

Classifica

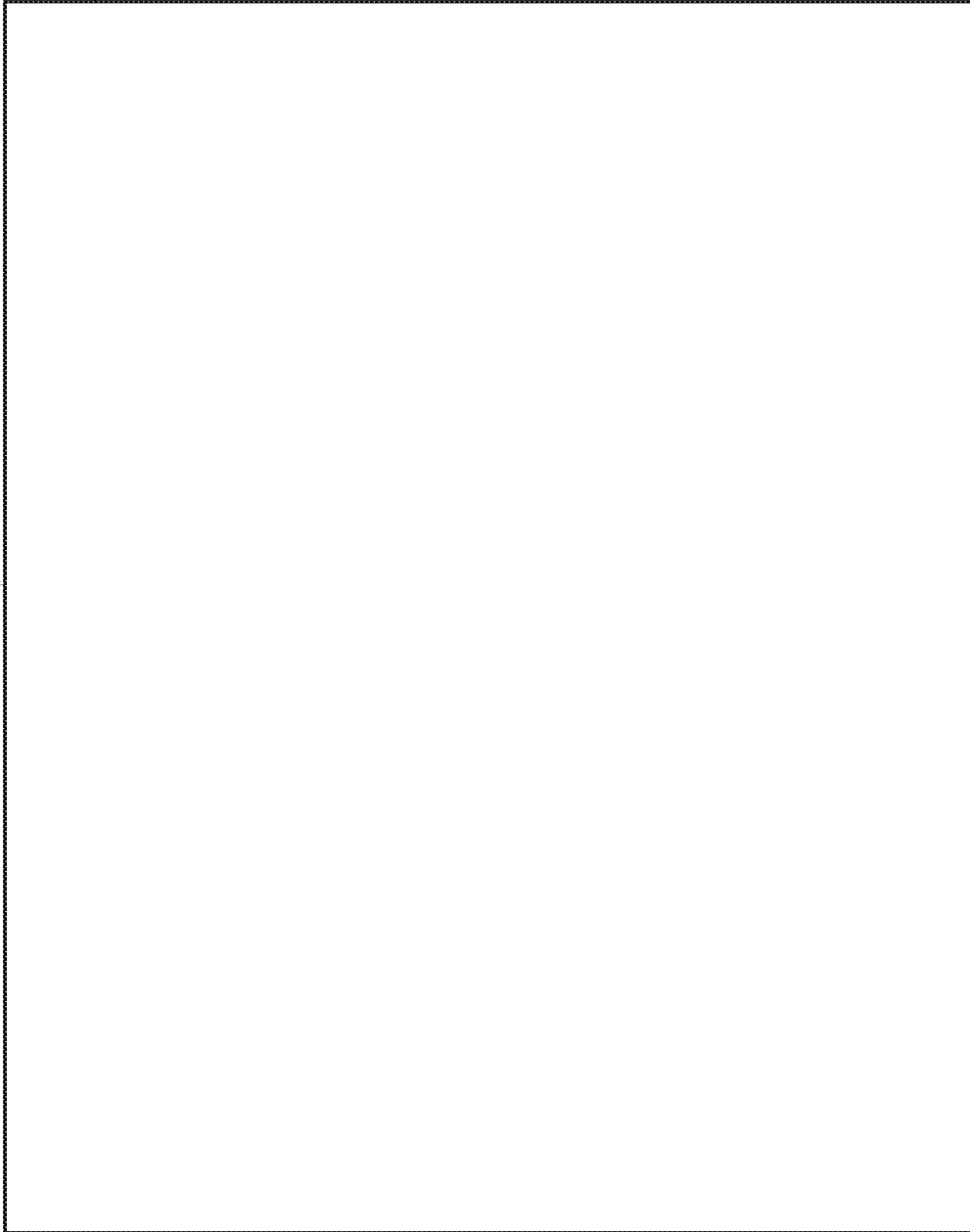
Ǝ

(f1)

~~SECRET~~

(S) To: ~~San Francisco~~ From: SA [redacted]
Re: [redacted] January 2, 1997

(S)



b1
b6
b7C

8

Classification: ~~SECRET/ORCON~~
Reason: 1.2 (C)
Declassify: X 1

FBI - Stevens-2818

~~SECRET~~

T02
To: San Francisco
Re: January

From: SA [redacted]
January 2, 1997

(S)

(S)

K
, 92

5

5

5 9

9

ff Dacia

Classification: ~~SECRET/ORCON~~
Reason: 1.5 (a)
Declassify: X 1

192_92

b1
b6
b7C
92

~~SECRET~~

To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)

(S)



b1
b6
b7C

10

~~Classification: SECRET/ORCON~~
~~Reason: 1.5 (c)~~
~~Declassify: X 1~~

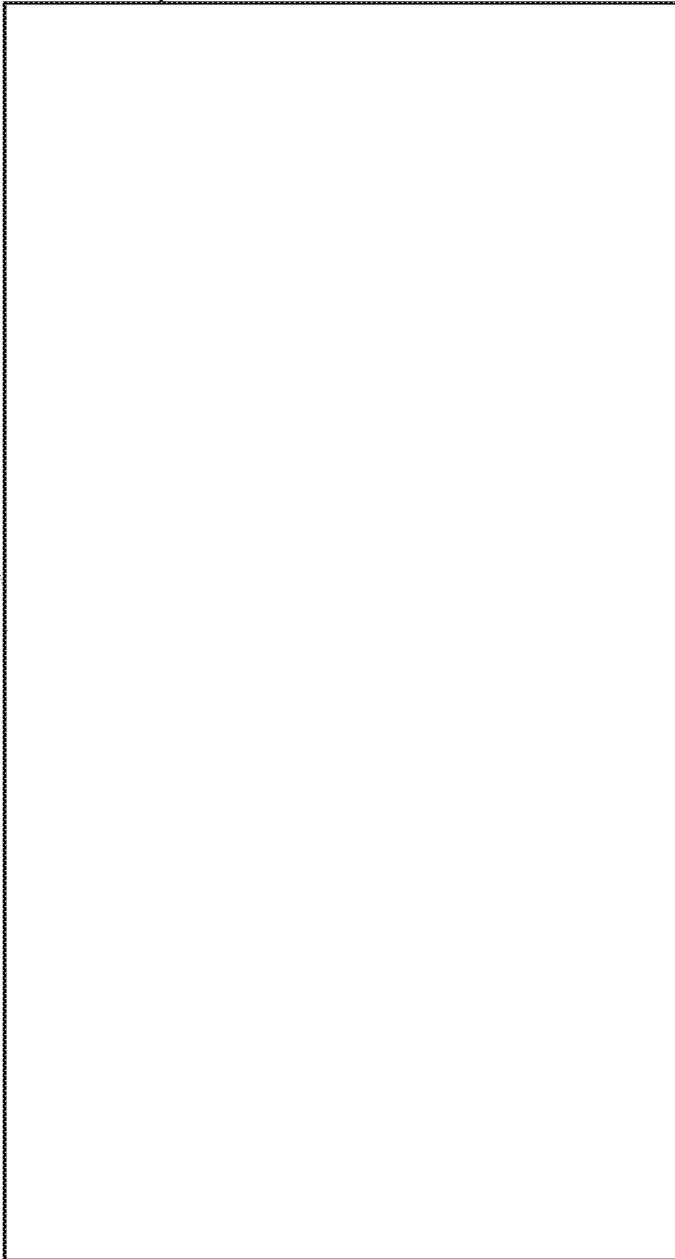
FBI - Stevens-2820

~~SECRET~~

To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)

(S)



b1
b6
b7C

11

Classification: ~~SECRET/OREON~~
Reason: ~~1.5 (c)~~
Declassify: ~~X 1~~

FBI - Stevens-2821

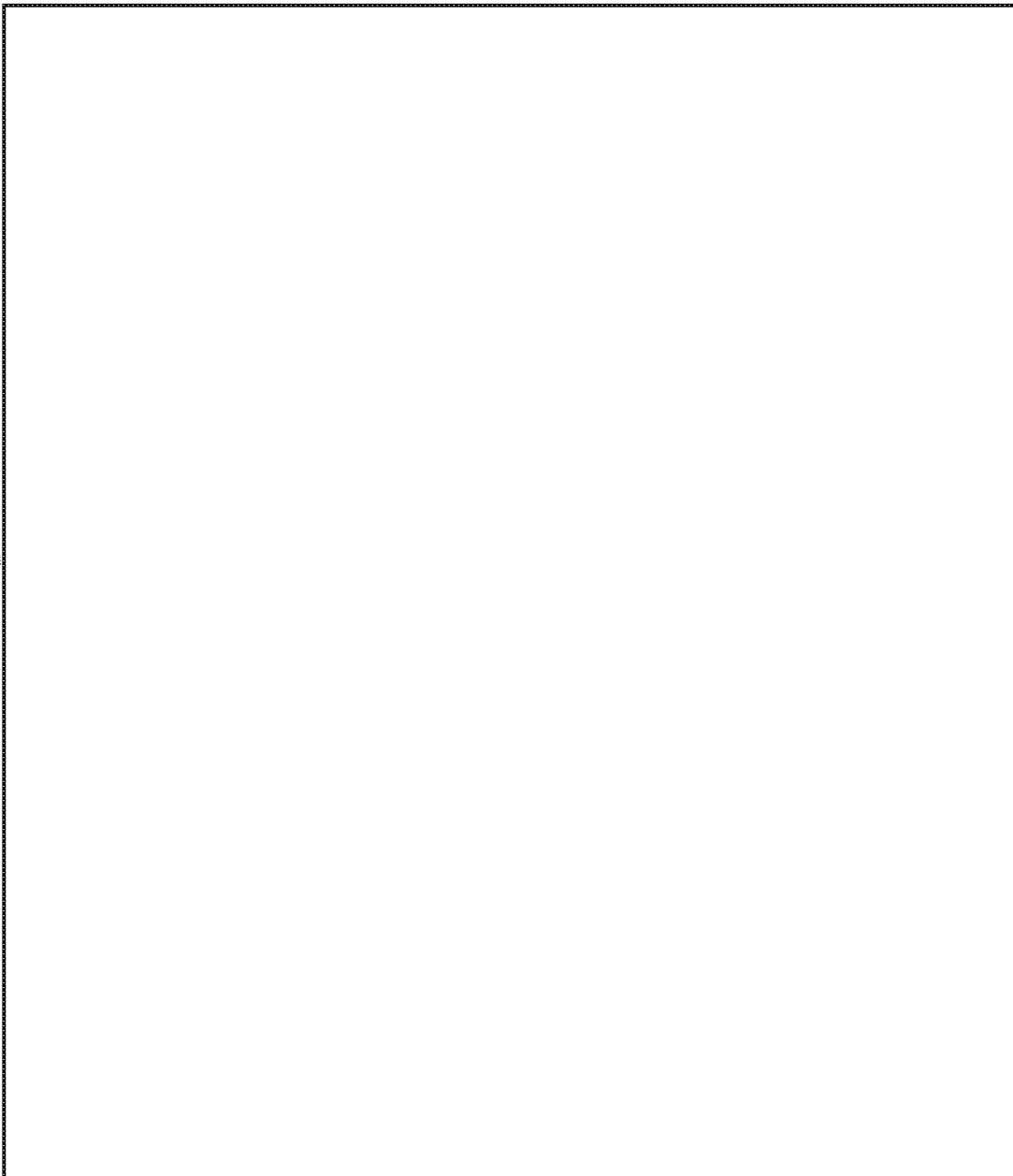
#39;

~~SECRET~~

To: San Francisco From: SA [redacted] VVVVVV V,
Re: [redacted] January 2, 1997
Te San Francisco From: SA

55?

14
Eb



b1
b6
b7C
b6
b7C

12

5.12
Classification: ~~SECRET~~/ORCON

Reason: 1-5 (C)
lassifizierung ZGRQQE

Reason:

es sify:

FBI - Stevens-2822

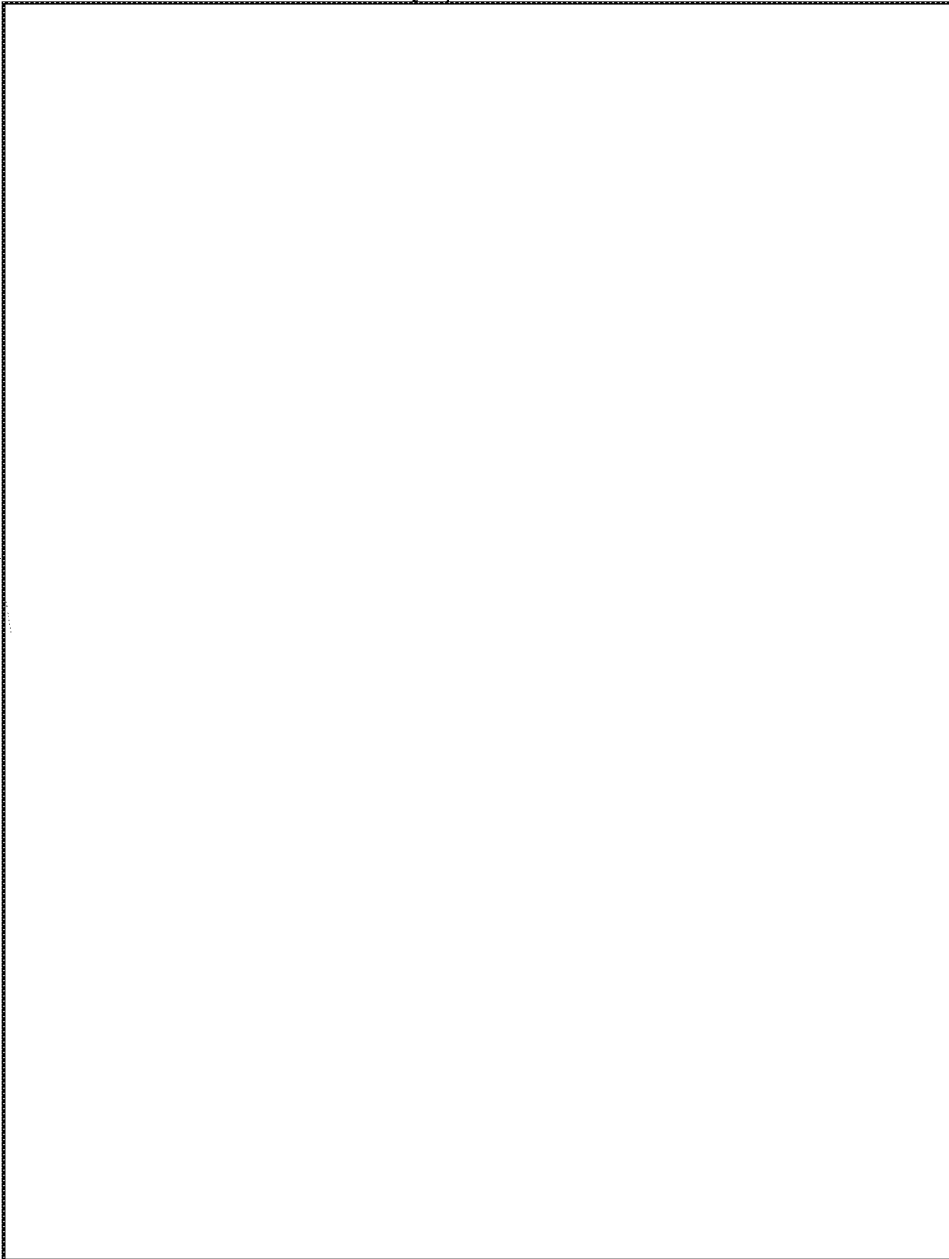
FBI - Stevens-2822

~~SECRET~~

To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)

(S)



b1
b6
b7C

13

Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (c)~~
Declassify: X 1

FBI - Stevens-2823

92¢

.f:f:f:§:f:f:§:f:§:3

R#39;

~~SECRET~~ #39;:1

To: San Francisco From: SA [redacted]

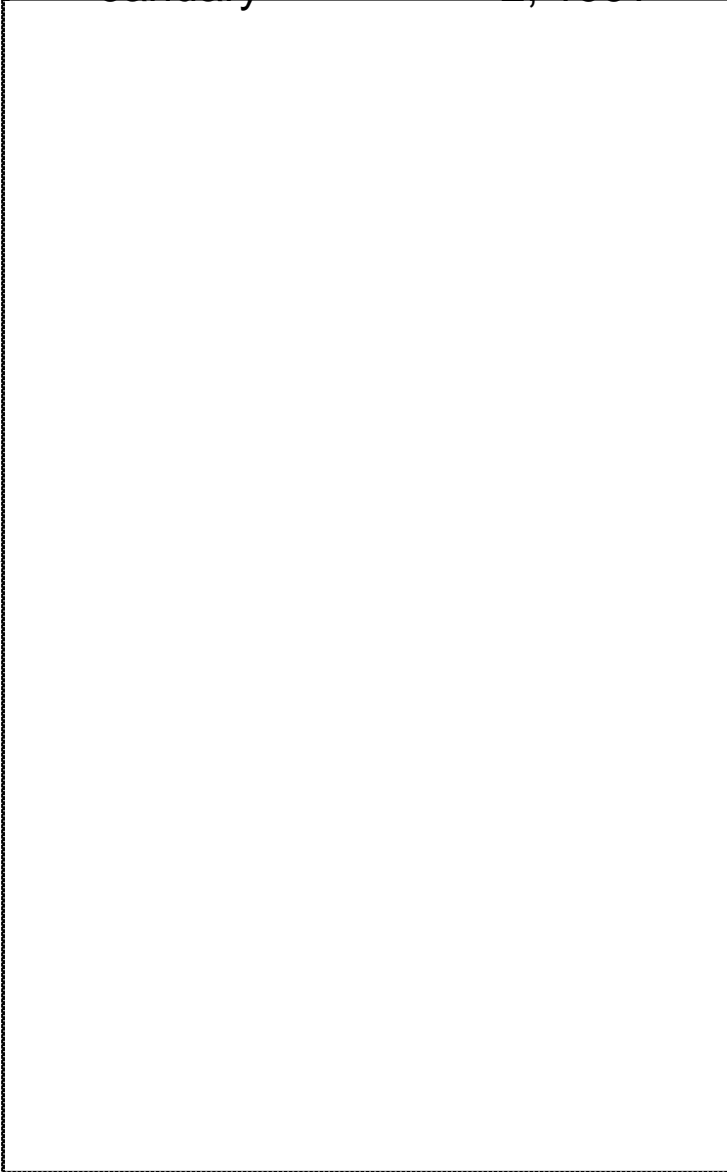
Re: [redacted] FEOINZ SA 1997

January 2, 1997

Re:

é

(S)



b1
b6
b7c
~e

14
14

Classification: ~~SECRET~~/ORCON
Classifit Reason: 1.5 (c) QRCQH
Declassify: 10/1

N

FBI - Stevens-2824
FBI Stevens-2824

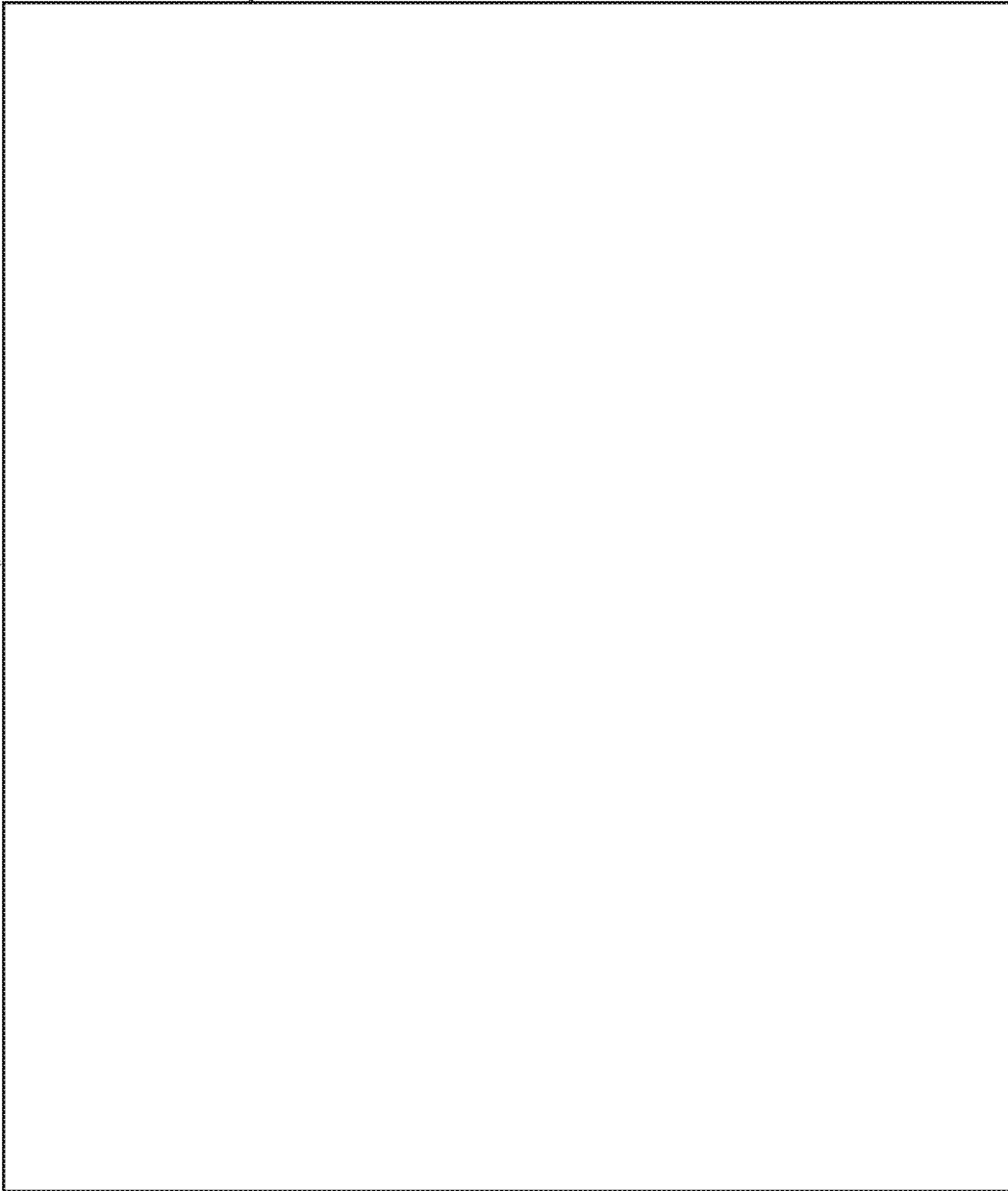
*//

~~SECRET~~

To: San Francisco From: SA [redacted]

(S) Re: 2 [redacted] January 2, 1997

(S)



b1
b6
b7C

15

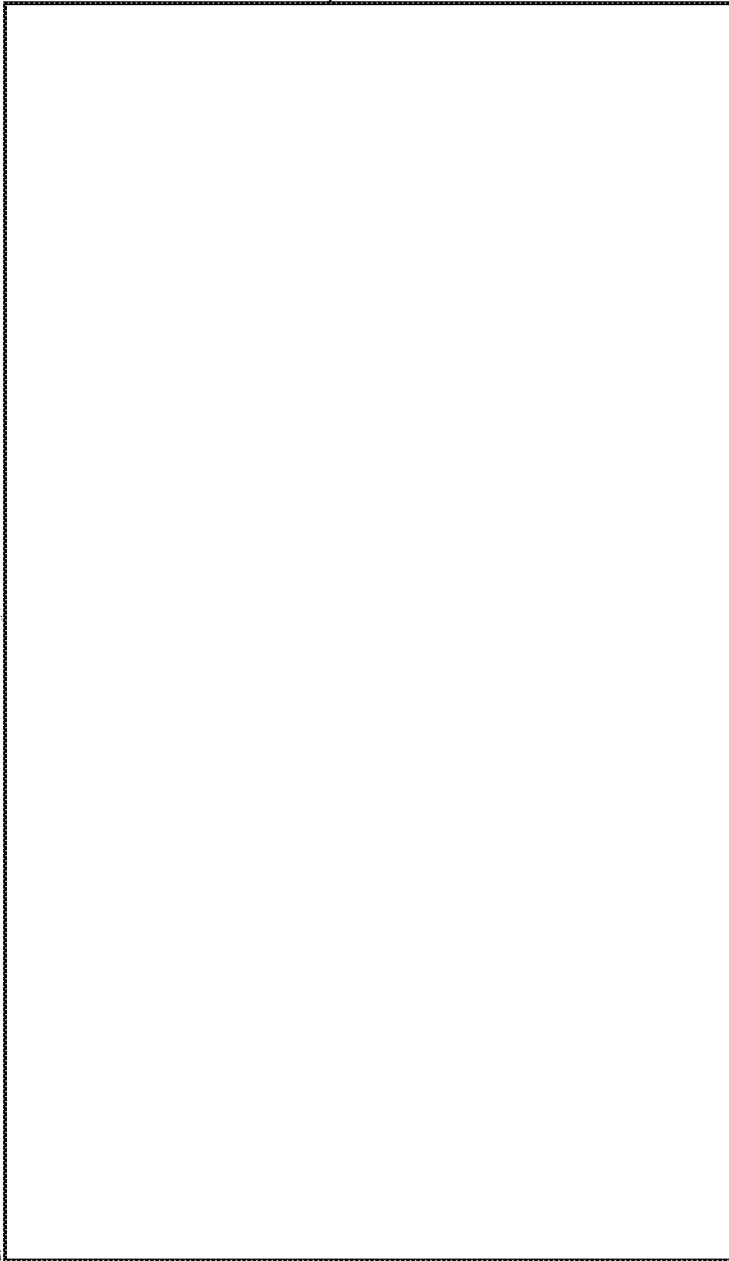
Classification: ~~SECRET/ORCON~~
Reason: ~~1-5 (c)~~
Declassify: ~~X 1~~

FBI - Stevens-2825

~~SECRET~~

(S) To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)



b1
b6
b7C

16

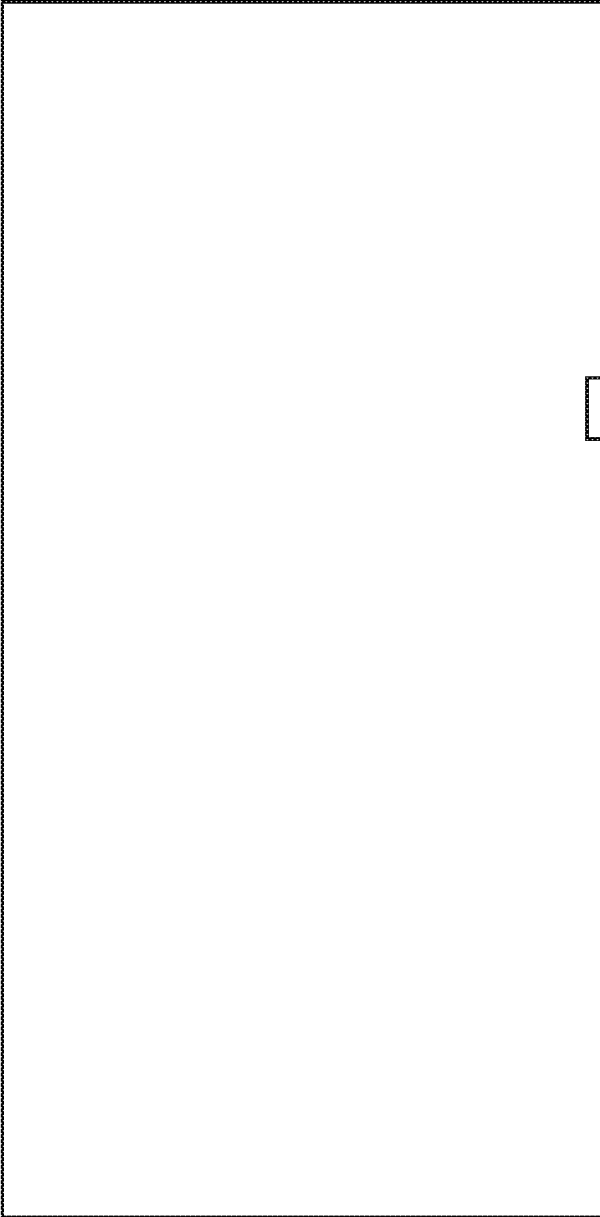
Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (c)~~
Declassify: ~~X 1~~

FBI - Stevens-2826

~~SECRET~~

To: San Francisco From: SA [redacted]
(S) Re: [redacted] January 2, 1997

(S)



b1
b6
b7C

17

Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (c)~~
Declassify: ~~X 1~~

FBI - Stevens-2827

~~SECRET~~

To: San Francisco From: SA [redacted]
(S) Re: [redacted], January 2, 1997

(S)



b1
b6
b7C

18

✓
Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (C)~~
Declassify: X 1

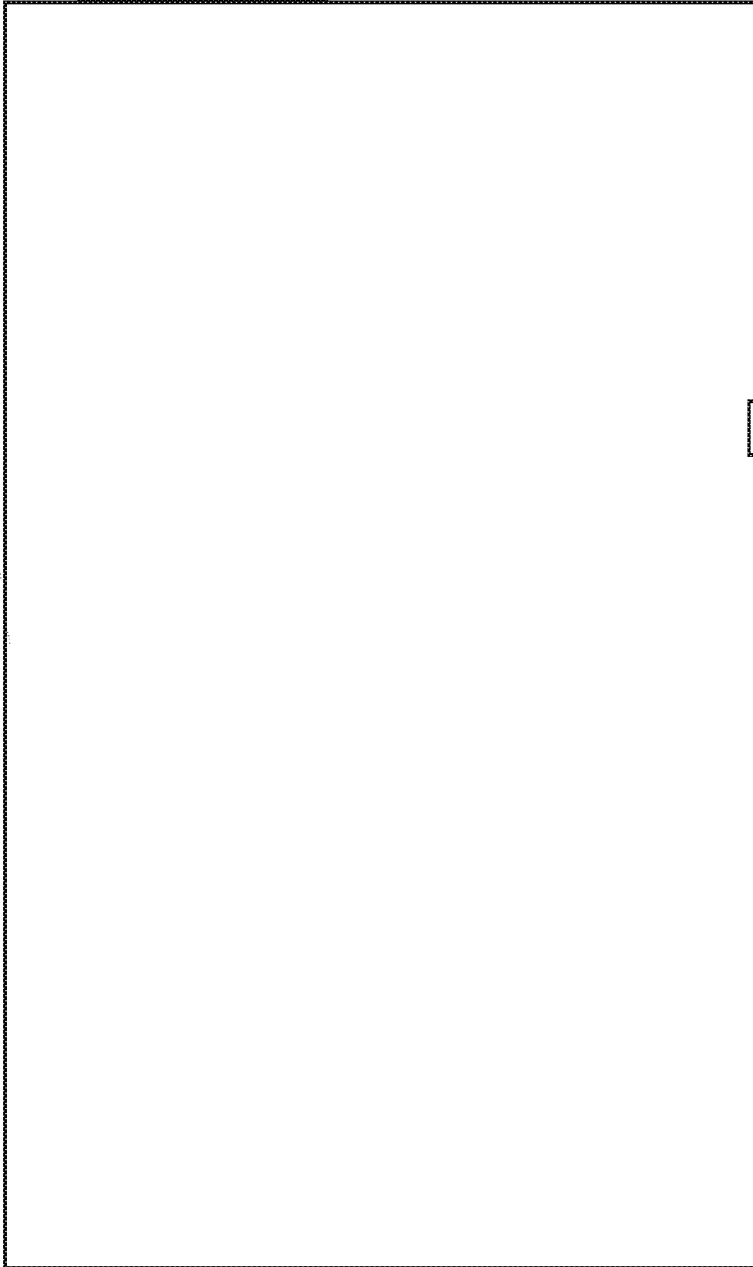
FBI - Stevens-2828

~~SECRET~~

To: San Francisco From: SA [redacted]

(S) Re: [redacted] January 2, 1997

(S)



b1
b6
b7C

19

Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (c)~~
Declassify: ~~X 1~~

FBI - Stevens-2829

~~SECRET~~

To: San Francisco From: SA

TO: Re: From: January 2, 1997

£5? Rm January 2, 19%?

151

F

Y

é

20

~~Classification: SECRET/ORCON~~

~~Reason: 1. (c)~~

Declassify: X 1

Reason .2» 5 5! c

1 sslfyz Xi

FBI - Stevens-2830

FBI Stevens-2836

b1
b6
b7C
.4

~~Z~~assificét

~~§ (c)~~
~~XX 1~~ QRQGR

Q

2

~~SECRET~~

To: San Francisco From: SA [redacted]

55} Re: [redacted] January 2, 1997

A

(S)///1

jjjjjjjjjjjjjjjjjjjj

5

b1
b6
b7C

6

21

K 2

x

/£/ Qlassif

Classification: ~~SECRET/ORCON~~

Reason: ~~1-5 (c)~~

Declassify: X 1

sin

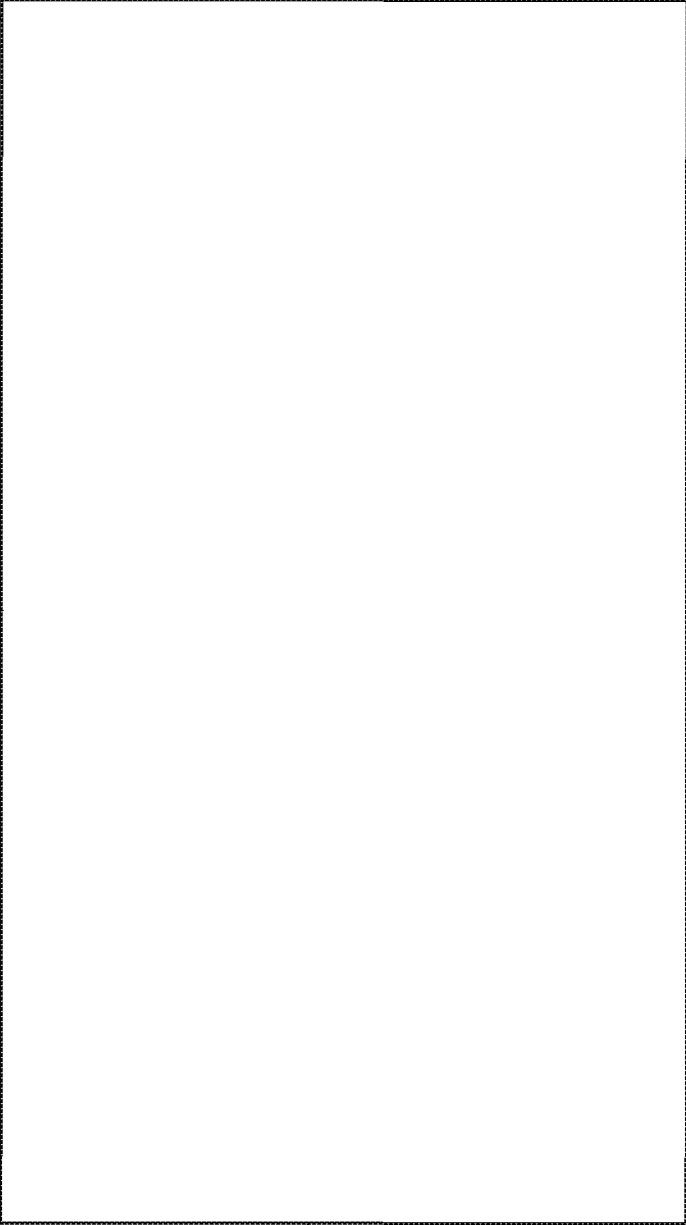
Reason: V»

;1::=:c#0\$99/FBIX Stevens-2831

~~SECRET~~

(S) To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)



b1
b6
b7C

22

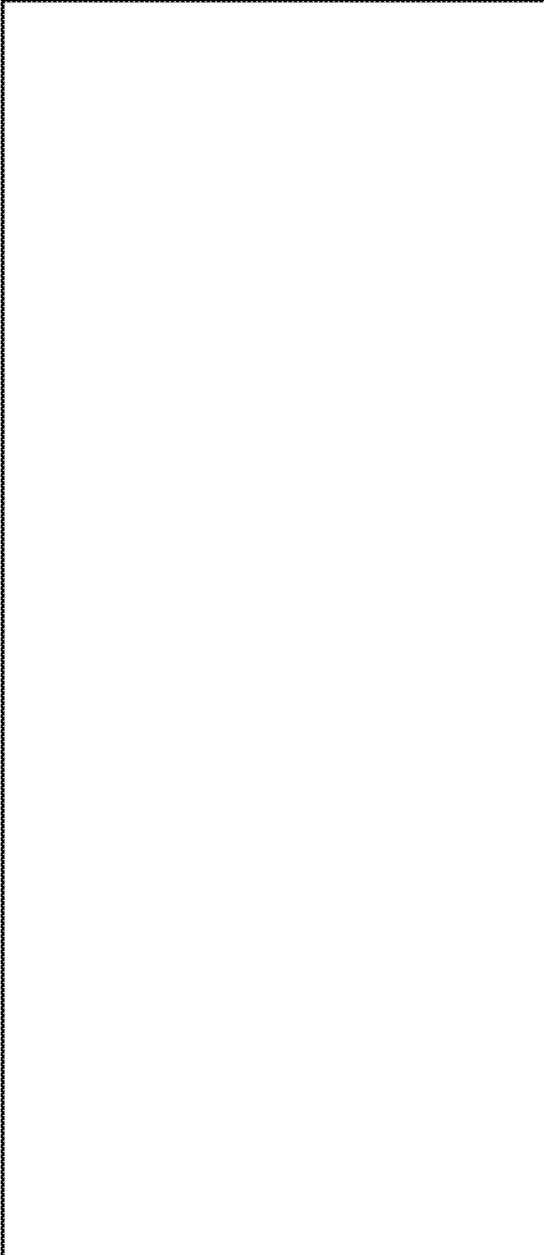
Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (C)~~
Declassify: ~~X 1~~

FBI - Stevens-2832

~~SECRET~~

To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)



(S)

b1
b6
b7C

23

Classification: ~~SECRET~~/ORCON
Reason: ~~1.5 (c)~~
Declassify: ~~X 1~~

FBI - Stevens-2833

~~SECRET~~

(S) To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)



24

~~Classification: SECRET/ORCON~~
~~Reason: 1.5 (c)~~
~~Declassify: X 1~~

b1
b6
b7C

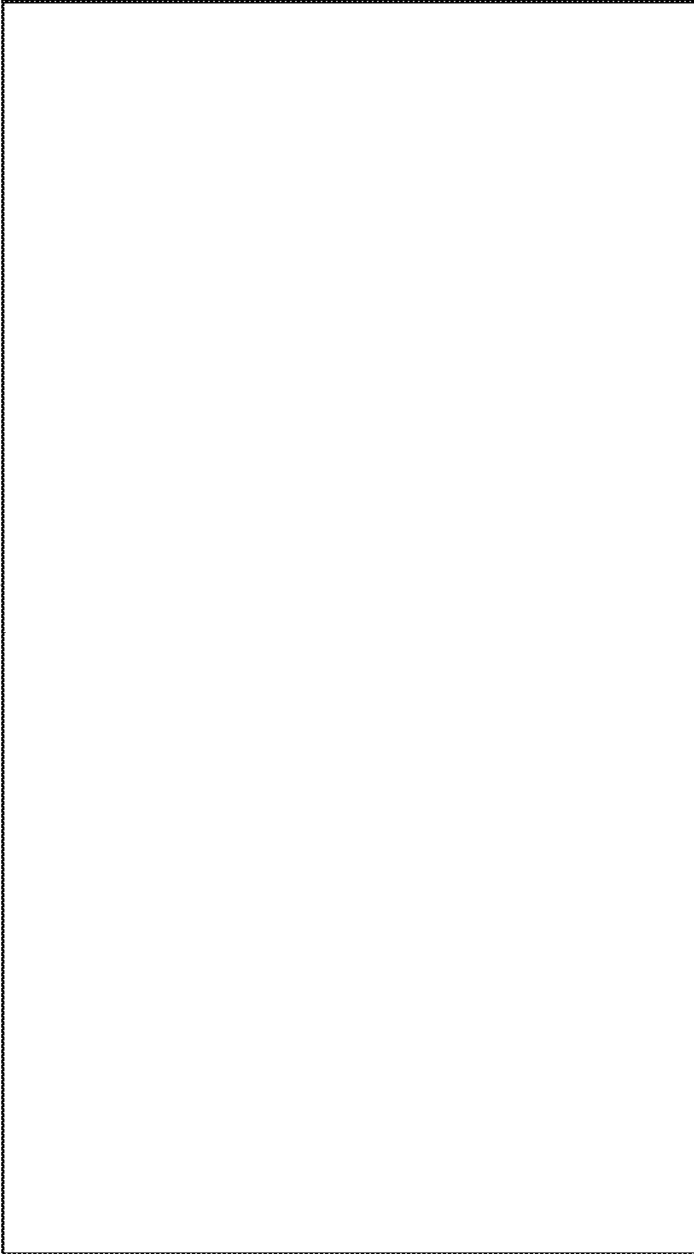
FBI - Stevens-2834

~~SECRET~~

To: San Francisco From: SA [redacted]
Re: [redacted] January 2, 1997

(S)

(S)



b1
b6
b7C

25

Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (C)~~
Declassify: ~~X 1~~

FBI - Stevens-2835

~~SECRET~~

To: San Francisco From: SA [redacted]

(S) Re: [redacted] January 2, 1997

(S)

[redacted]

[redacted]

b1
b6
b7C

(S)

cc:

1 - [redacted]

2 - [redacted]

1 - Elsur

♦♦

26

Classification: ~~SECRET/ORCON~~

Reason: ~~1.5 (C)~~

Declassify: ~~X 1~~

FBI - Stevens-2836

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 12/18/59

FROM : SAC, ANCHORAGE (68-0)

FEDERAL JUDGESSUBJECT: FEDERAL COURTS IN ALASKA
ALASKAN MATTER

Advice has been received by the Anchorage press that the Justice Department at the present time plans to nominate the new Federal Judge for Alaska as soon as possible after Congress convenes on January 6, 1960. The new State Court System will begin functioning on January 4, 1960, according to present plans, and at that time the State matters pending in the U.S. District Courts will be turned over to the State Court System for disposition. In the interim between the establishment of the State Court System and the appointment of a new Federal Judge and the redistricting of the State as one Judicial District, it is proposed that the three active District Courts in the State continue to dispatch their judicial functions as they have in the past.

The choice as to a new Federal Judge apparently lies between Alaska Supreme Court Justice WALTER HODGE, who until recently was U.S. District Judge for the Second Judicial District of Alaska at Nome, and Judge VERNON D. FORBES, who is Presiding Judge in the Fourth Judicial District at Fairbanks, Alaska. Judges RAYMOND J. KELLY of Juneau and JAMES L. MC CARREY, JR. at Anchorage apparently lack the necessary political endorsement to be considered for this Judgeship. One outsider has also been given consideration for this Judgeship; he is THEODORE F. STEVENS, a former U.S. Attorney at Fairbanks, who has been legislative assistant to Interior Secretary FRED A. SEATON.

ALASKA

- 2 - Bureau
1 - Anchorage

JAS:sah
(3)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-24-89 BY SP8 (513) agf

DEC-21

7 DEC 21 1959

FBI - Stevens-2837

UNITED STATES GOVERNMENT

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Memorandum

TO : Mr. Moore

DATE: 11/20/79

FROM : K.E. Joseph

SUBJECT: INVITEES TO FBI NATIONAL
ACADEMY GRADUATION
12/14/79

FBNA-GRADUATION

- 1 - Mr. Boynton
- 1 - Mr. Cregar
- 1 - Mr. Mintz
(Attn Legal Liaison &
Congressional Affairs)
- 1 - Ms. Devine
- 1 - Mr. O'Connor - QT

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir.: _____
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Insp. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Public Affs. Off. _____
Telephone Rm. _____
Director's Sec'y _____

In connection with the graduation exercises on 12/14/79, it is suggested that invitations be extended to the following:

Key Members of Congress

Senator Robert C. Byrd (West Virginia) - Senate Majority Leader
Senator Howard H. Baker, Jr. (Tennessee) - Senate Minority Leader
Congressman Thomas P. O'Neill, Jr. (Massachusetts) - Speaker of the House
Congressman John J. Rhodes (Arizona) - House Minority Leader
Congressman Jim Wright (Texas) - House Majority Leader

Senate Judiciary Committee

Edward M. Kennedy (Massachusetts) - Chairman
Strom Thurmond (South Carolina)

Senate Appropriations Committee

Warren G. Magnuson (Washington)
Milton R. Young (North Dakota)

Senate Subcommittee on State, Justice, Commerce, The Judiciary, and Related Agencies

Ernest F. Hollings (South Carolina)
Warren G. Magnuson (Washington)
Thomas F. Eagleton (Missouri)
Daniel K. Inouye (Hawaii)
Quentin N. Burdick (North Dakota)
Dennis DeConcini (Arizona)

1-10160-983

DEC 6 1979

JTS:ppd
(9)

CONTINUED-OVER

FBI - Stevens-2838



27 JAN

U.S. Savings Bonds Regularly on the Payroll Savings Plan

FWO
FBI/DOJ

Memorandum to Mr. Moore
Re: Invitees to FBI National
Academy Graduation
12/14/79

Senate Subcommittee on State, Justice, Commerce, The Judiciary, and
Related Agencies (continued)

~~Dale Bumpers~~ (Arkansas)
~~Lowell P. Weicker, Jr.~~, (Connecticut)
~~Mark O. Hatfield~~ (Oregon)
~~Ted Stevens~~ (Alaska)
~~Paul Laxalt~~ (Nevada)
~~Jake Garn~~ (Utah)

House Judiciary Committee

~~Peter W. Rodino, Jr.~~, (New Jersey)
~~Robert McClory~~ (Illinois)

House Subcommittee on Civil and Constitutional Rights

~~Don Edwards~~ (California)
~~Henry J. Hyde~~ (Illinois)

House Appropriations Committee

~~Jamie L. Whitten~~ (Mississippi) - Chairman
~~Sylvio O. Conte~~ (Massachusetts) - Ranking Minority Leader

House Subcommittee on State, Justice, Commerce, and The Judiciary

~~John M. Slack~~ (West Virginia)
~~Neal Smith~~ (Iowa)
~~Bill Alexander~~ (Arkansas)
~~Joseph D. Early~~ (Massachusetts)
~~Jack Hightower~~ (Texas)
~~George M. O'Brien~~ (Illinois) - Minority Member
~~Mark Andrews~~ (North Dakota)

Senate Select Committee on Intelligence

~~Birch Bayh~~ (Indiana) - Chairman
~~Barry Goldwater~~ (Arizona) - Vice Chairman
~~Adlai E. Stevenson~~ (Illinois) - Ranking Majority Leader
~~Jake Garn~~ (Utah) - Ranking Minority Member
~~William G. Miller~~ - Staff Director
~~Earl Eisenhower~~ - Staff Director

FBI - Stevens-2839

Memorandum to Mr. Moore
Re: Invitees to FBI National
Academy Graduation
12/14/79

House Permanent Select Committee on Intelligence

Edward P. Boland (Massachusetts)

Clement J. Zablocki (Wisconsin) - Ranking Majority Member

J. Kenneth Robinson (Virginia) - Ranking Minority Member

Thomas K. Latimer - Staff Director

Michael J. O'Neil - Chief Counsel

Senate Subcommittee on State, Justice, Commerce, The Judiciary, and
Related Agencies (Staff)

Warren W. Kane

Burkett VanKirk

House Committee on Appropriations

Keith F. Mainland - Clerk and Staff Director

House Appropriations Subcommittee on State, Justice, Commerce, and
The Judiciary (Staff)

Dempsey B. Mizelle

John G. Osthaus

Others

Brigadier General William R. Brooksher

Chief of Air Force Office of Security Police/AFISAC

Kirtland Air Force Base, New Mexico 87117

Mr. John Doyle (Guest lecturer)

Chief, U.S. National Central Bureau

INTERPOL

U.S. Department of Justice

Washington, D.C. - 20530

Brigadier General John A. Smith, Jr.

Deputy Commander

U.S. Army Intelligence Agency

Fort Meade, Maryland - 20755

Memorandum to Mr. Moore
Re: Invitees to FBI National
Academy Graduation
12/14/79

Mr. Hugh A. Groves (Secretary/Treasurer of NA Associates)
Deputy Chief
United States Park Police
1100 Ohio Drive, Southwest
Washington, D.C. 20242

Honorable William E. Hall
Director
United States Marshals Service
Washington, D.C. 20530

President Frank L. Hereford, Jr.
Pavilion 8 East Lawn
University of Virginia
Charlottesville, Virginia 22903

Mr. Burtell M. Jefferson
Chief of Police
Metropolitan Police Department
Washington, D.C. 20001

Dr. Erontis Johnston (Guest lecturer)
P.O. Box 217
Davidson, North Carolina 28036

Honorable H. Stuart Knight
Director
United States Secret Service
Department of the Treasury
Washington, D.C. 20223

Stuart X Knight

Mr. Stephen F. Lagomarsino (President, NA Associates)
14113 Skyline Road
Albuquerque, New Mexico 87123

Memorandum to Mr. Moore
Re: Invitees to FBI National
Academy Graduation
12/14/79

Mr. Ferris E. Lucas
Executive Director
National Sheriffs' Association
Suite 320
1250 Connecticut Avenue, Northwest
Washington, D. C. 20036

Colonel Thomas A. McDonnell
Chief, Law Enforcement Division
Human Resources Development Directorate Office
Deputy Chief of Staff for Personnel
Headquarters, Department of the Army
Washington, D. C. 20310

Lt. General John H. Miller
Commanding General
Marine Corps Development and Education Command
Quantico, Virginia 22134

Mr. Glen R. Murphy
Director
Bureau of Governmental Relations & Legal Counsel
International Association of Chiefs of Police
Eleven Firstfield Road
Gaithersburg, Maryland 20760

Honorable Tim Murphy (Guest lecturer)
Superior Court of the District of Columbia
Fifth and E Street, Northwest
Washington, D.C. 20001

Mr. James M. Rowell
Chief of Police
U.S. Capitol Police
331 First Street, Northeast
Washington, D.C. 20510


Mr. Harvey E. Pryor
Chief

U.S. Secret Service Uniformed Division
Washington, D.C. 20500

FBI - Stevens-2842

Memorandum to Mr. Moore
Re: Invitees to FBI National
Academy Graduation
12/14/79

Dean Adelle F. Robertson
Division of Continuing Education
P.O. Box 3697
University Station
Charlottesville, Virginia 22903

Lieutenant Colonel 
Headquarters, U.S. Marine Corps
Code MPH-50
Washington, D.C. 20380



Mr. Parker T. Hill
Chief,
United States Park Police
1100 Ohio Drive, Southwest
Washington, D.C. 20242

His Excellency N. F. Parkinson
The Ambassador to Australia
1601 Massachusetts Avenue, Northwest
Washington, D.C. 20036

His Excellency Peter M. Towe
The Ambassador to Canada
1746 Massachusetts Avenue, Northwest
Washington, D.C. 20036

His Excellency Nicholas Henderson
The Ambassador to Great Britain
3100 Massachusetts Avenue, Northwest
Washington, D.C. 20008

ENG

b6
b7C
b7D

Memorandum to Mr. Moore
Re: Invitees to FBI National
Academy Graduation
12/14/79

His Excellency Raymond Probst
The Ambassador to Switzerland
2920 Cathedral Avenue, Northwest
Washington, D.C. 20008

Honorable Nikorn Praisangpetch
The Minister of Thailand
2300 Kalorama Road, Northwest
Washington, D.C. 20008

RECOMMENDATION: That upon approval, this memorandum be returned
to the Training Division so invitations can be prepared.

APPROVED:

Director

Exec. AD-Inv.

Exec. AD-Adm.

Exec. AD-LES

Adm. Serv.

Crim. Inv.

Ident.

Intell.

Laboratory

Legal Coun.

Plan. & Insp.

Rec. Mgnt.

Tech. Servs.

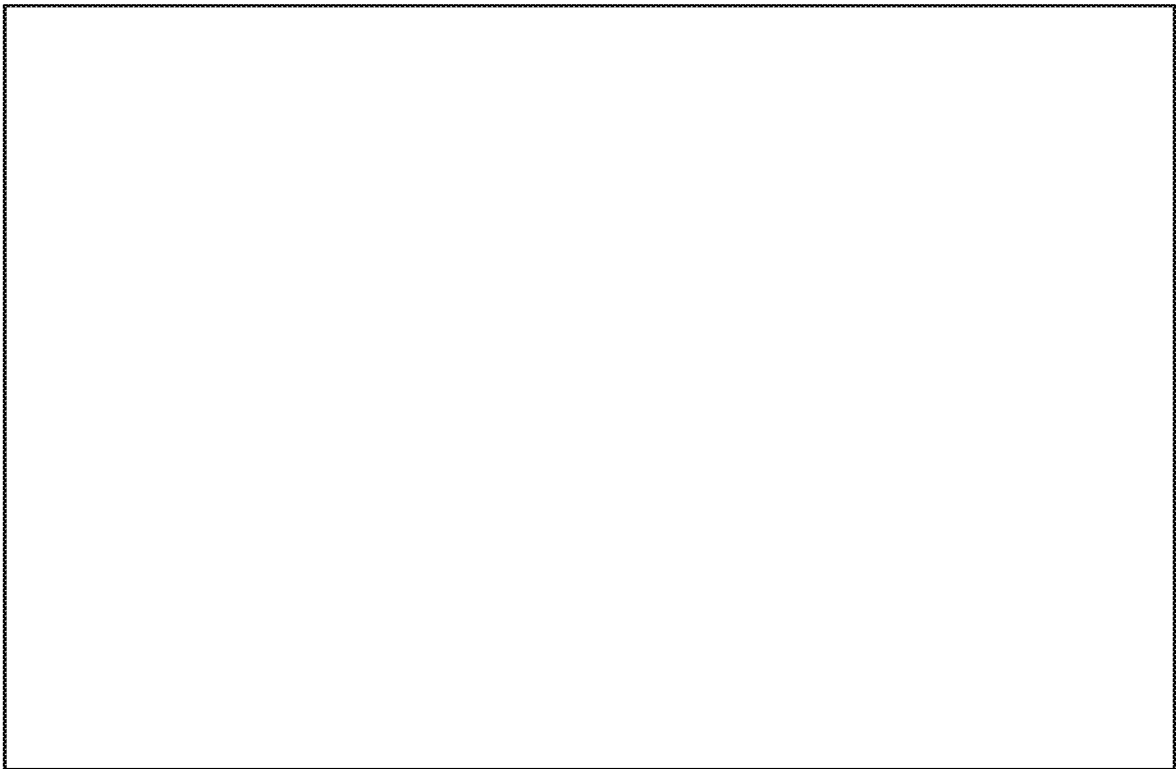
Training

Public Affs. Off.

May 7, 1980



Dear 



b6
b7C
b7D

With warm personal regards,

1-10/60-983

Sincerely,

15/ Ken

Kenneth E. Joseph, Ph. D.
Executive Assistant Director
Law Enforcement Services

- KEJ:mfs (5)
1 - Miss Devine (Enc.)
1 - Mr. Young (Enc.)
1 - Legat, Ottawa (Enc.)

Sent directly to Ottawa

FBI - Stevens-2845

Mail Room

TREAT AS YELLOW

Exec. AD-Inv. _____
Exec. AD-Adm. _____
Exec. AD-LES _____
Asst. Dir.: _____
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Insp. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Public Affs. Off. _____
Telephone Rm. _____
Director's Sec'y _____

*Signal &
5-7-80
KEJ:mfs*

KEJ

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 3

Page 9 ~ b6, b7C, b7D

Page 10 ~ b7D

Page 11 ~ b7D

October 29, 1991

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

I am writing in further response to your September 27th inquiry on behalf of [REDACTED] who expresses his concern about an FBI investigation that took place in Idaho.

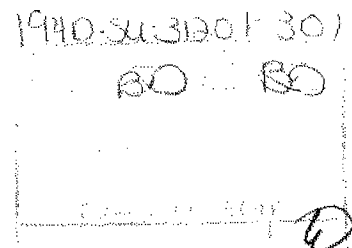
The investigation to which [REDACTED] referred is an ongoing case; therefore, I am not at liberty to comment specifically as FBI and Department of Justice policy prohibits comment on pending investigations. This policy has existed for a number of years and serves to prevent any impact on judicial proceedings relating to criminal charges that may result from the investigation. b6 b7C

I hope you and [REDACTED] will understand and share our position concerning pending investigations.

Sincerely yours,

Larry A. Potts
Deputy Assistant Director
Criminal Investigative Division

- 1 - Executive Secretariat - Enclosure
Room 4400AA, DOJ
- ① - Salt Lake City (194D-SU-31201) - Enclosures (5)
- 1 - Anchorage - Enclosures (5)



FBI - Stevens-2874

ROBERT C. BYRD, WEST VIRGINIA, CHAIRMAN

DANIEL K. INOUE, HI/MAI
ERNEST F. HOLLINGS, SOUTH CAROLINA
J. BENNETT JOHNSTON, LOUISIANA
QUENTIN N. BURDICK, NORTH DAKOTA
PATRICK J. LEAHY, VERMONT
JIM SASSER, TENNESSEE
DENNIS DUCONCINI, ARIZONA
DALE BUMPERS, ARKANSAS
FRANK R. LAUTENBERG, NEW JERSEY
TOM HARKIN, IOWA
BARBARA A. MIKULSKI, MARYLAND
HARRY REID, NEVADA
BRUCE ADAMS, WASHINGTON
WYCHE FOWLER, JR., GEORGIA
J. ROBERT KERNEY, NEBRASKA

MARK O. HATFIELD, OREGON
TED STEVENS, ALASKA
JAKE GARN, UTAH
THAD COCHRAN, MISSISSIPPI
ROBERT W. KASTEN, JR., WISCONSIN
ALFONSE M. D'AMATO, NEW YORK
WARREN RUGHMAN, NEW HAMPSHIRE
ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMENICI, NEW MEXICO
DON NICKLES, OKLAHOMA
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
SLADE GORTON, WASHINGTON

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, DC 20510-6025

JAMES H. ENGLISH, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

September 27, 1991

W. Lee Rawls
Assistant Attorney General
Office of Legislative Affairs
Main Justice Building, Room 1145
Washington, D.C. 20530

Dear Mr. Rawls:

Enclosed is some correspondence and news articles I received from a constituent, [REDACTED] with some questions regarding recent activities of the FBI in Idaho.

I would appreciate it if you could look into this matter described in [REDACTED] letter and provide my office with any information upon which to base a reply.

Thank you for your help.

b6
b7C

With best wishes,

Cordially,



TED STEVENS

FBI - Stevens 2875

[REDACTED]
Anchorage, Alaska 99508

b6
b7C

The Honorable Ted Stevens
United States Senate
522 Hart
Washington, D.C. 20510

Dear Senator Stevens,

In view of all the things you do for the state of Alaska and its residents, I realize you must have a very busy schedule, but could you please take the time to read the enclosed news articles? Wallace, Idaho is my hometown (pre-World War II) and I visit there frequently. I know from personal experience the gambling machines pictured in these articles take quarters to play and pay off in free plays. It would be interesting to know how much money the FBI really confiscated in this raid.

If the FBI has nothing better to do than this, maybe they have too many people on the payroll, and maybe this should be considered the next time they ask for appropriations. If they're this hard up for work, they could always come to Anchorage, where so far this year there have been 17 bank robberies, most of which remain unsolved.

Thanks for any time you can spend looking into this.

[REDACTED]

DS/ds
cc President George Bush
Senator Frank Murkowski
Representative Don Young

b6
b7C

FBI - Stevens-2876

Tuesday, June 25, 1991, The Anchorage Times B5

FBI busts Idaho gambling spots, suppliers

ASSOCIATED PRESS

KELLOGG, Idaho — Federal agents seized nearly 200 video poker machines and an undisclosed amount of cash in weekend raids on 58 bars, two businesses and three homes in Shoshone County, the FBI said.

The Sunday raids culminated a two-year investigation into illegal gambling in northern Idaho.

More than 140 agents from Seattle, San Francisco and Inter-mountain Divisions of the Federal Bureau of Investigation executed the search warrants.

It was the largest gambling raid ever in the three-state Inter-

mountain region of Idaho, Montana and Utah, said Tim Screen, spokesman for the FBI's Inter-mountain Division.

No arrests were made, Screen said. But he emphasized that the investigation is continuing.

"Illegal gambling has been going on over there for an awful long time," he said.

Agents began the raid at 10 a.m. They generally worked in pairs at the bars, while a dozen agents searched the larger businesses and homes, Screen said.

One of the bars raided was The Smoke House in Wallace, which is owned by George Hemphill.

"It catches me totally by surprise," said Hemphill, who arrived in town from a weekend in Montana just minutes before federal agents completed their search.

"We're a small community and all the businesses here are trying to make a living," Hemphill said. "I think they're here looking for something else and they found some illegal gambling going on. It's obvious they've been planning this for a while. They knew exactly what machines I had."

The businesses searched were Pendergast Amusement-Kellogg Moving and Storage in Kellogg

and North Idaho Sales in Wallace.

The FBI said the homes of Terry Douglas of Kellogg, David Field of Wallace and Leif Merrill Field of Osburn were also searched.

Field said Sunday evening he did not know the "dozens" of poker machines he leased to night clubs and other Shoshone County businesses for the past "couple years" were illegal.

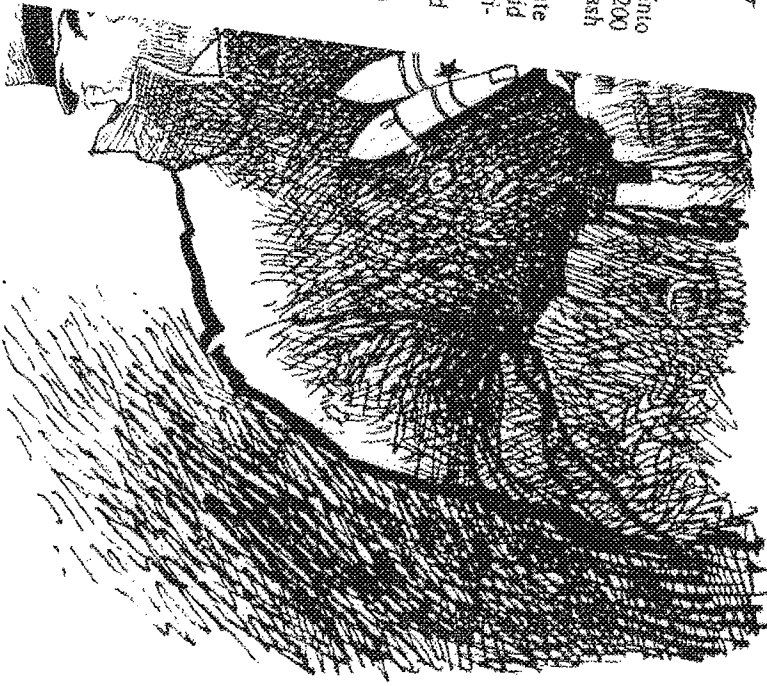
"We're just in trouble, that's all," he said.

Field said he has owned a vending machine business since the 1950s.

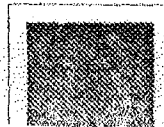
FBI - Stevens-2877

CONTINUED FROM A1

Please see FBI RAID, A9



Monday June 24, 1991



Page Editor
Manager

cept

d as a runner in
More than once
wedding anniver-
sary, beat her hus-
band's challenge to ac-
complish a 100-
ter-mile lap was
she could do so
on top of the pelli-
cans' hand. And the
stated that the or-
ganized by 9 a.m. on
the Bloomsday
and she's dropping

FBI agents seize machines, cash in Shoshone County

By Greg Lee
Staff writer

6-24-91

WALLACE — About 150 FBI agents swooped into Shoshone County on Sunday morning, seizing nearly 200 video poker machines and undetermined amounts of cash from 56 bars, two businesses and three residences. The gambling raid is the largest ever in the three-state Intermountain region of Idaho, Montana and Utah, said Tim Screen, spokesman for the FBI's Intermountain Division. No arrests were made, Screen said. But he emphasized that the two-year federal investigation is continuing. "Illegal gambling has been going on over there for an awful long time," said Screen. Screen estimated that agents confiscated "hundreds of thousands of dollars" in gambling receipts. One Wallace resident who asked not to be identified said, "This is the cleanest Wallace has been in more than 100 years."

Carrying search warrants detailing the property they expected to seize, agents began the raid at 10 a.m., Screen said. Agents generally worked in pairs at the bars, while a dozen agents searched the larger businesses and homes. One of the bars raided was The Smoke House, 424 Sixth St., in Wallace, which is owned by George Hemphill. "It catches me totally by surprise," said Hemphill, who

Yeltsin, like Reagan, like Koppel's

Like Reagan, Yeltsin is scorned as a dim bulb. Boris' dummy image wasn't helped on a previous U.S. tour when he marinated himself in Jack Daniels. But most of all, like Reagan, Boris Yeltsin showed himself to be a cockeyed anticlimax.

WASHINGTON — He-e-e-re's Boris! One by one, like actors on a late-night talk show, political celebrities pop from behind the Iron Curtain to bedazzle Washington. First was the master showman, Mikhail Gorbachev. Then the populist Pole, Lech Walesa. Then the Czech dreamer, Vaclav Havel. Each visit prompted a kind of surreal snap



SANDY

Gambling raid follows 2-year federal probe

around his fed Koppel's eyebrow in "Nightline," Yeltsin did not like some the air and admitted he "did not like some things" about Gorb. "Inconsistency. Half-hearted decisions. Changing positions." Later he told reporters, "I never want to

will give
visit — one
from

CONTINUED: FROM A1

FBI raid

arrived in town from a weekend in Montana just minutes before federal agents completed their search.

"We're a small community and all the businesses here are trying to make a living," Hemphill said. "I think they're here looking for something else and they found some illegal gambling going on. It's obvious they've been planning this for a while. They knew exactly what machines I had."

An affidavit for a search warrant — signed by Coeur d'Alene resident agent Wayne Marris and approved by U.S. District Court Judge Harold L. Ryan — authorized agents to confiscate any and all money, bookkeeping records, contracts and gambling devices, among other things, related to alleged illegal gambling from March 7, 1990, to June 23, 1991.

According to an inventory list, agents seized two cigar boxes labeled "football" and "punchboard money" from Hemphill's safe. The boxes contained 15 rolls of quarters, \$70 in an envelope marked "poker", and \$160 in an envelope marked "XXX."

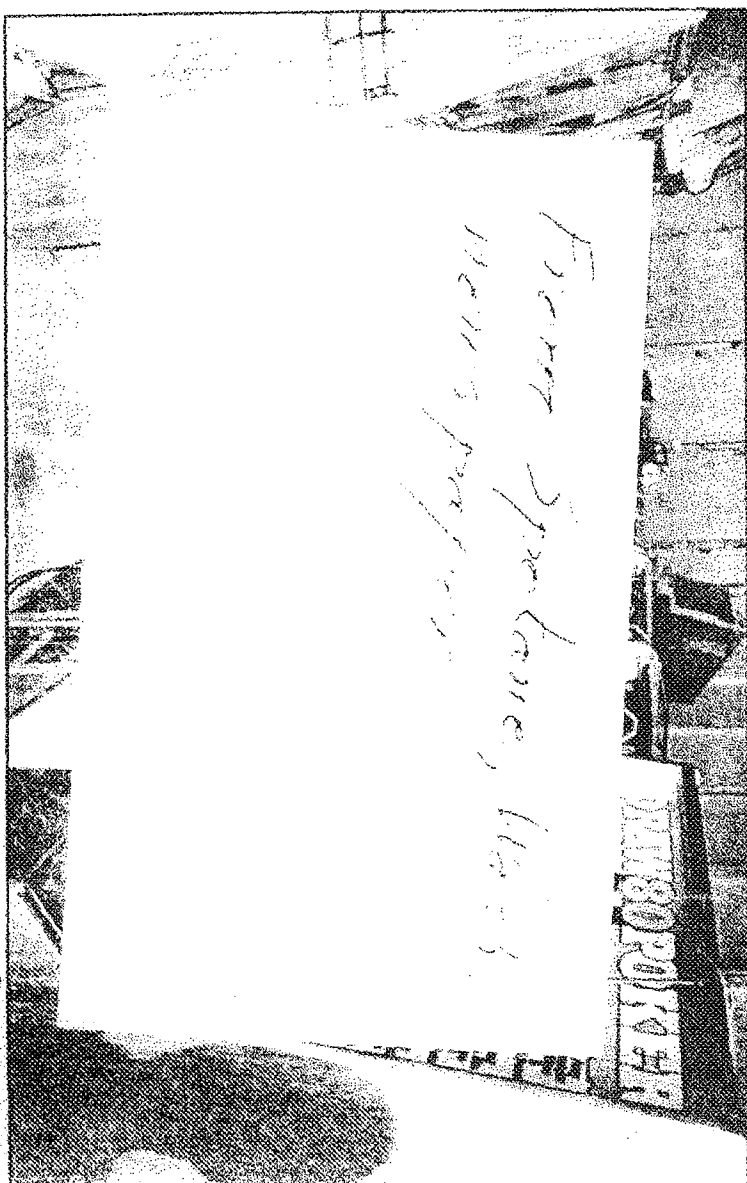
Hemphill said agents also asked for names of people who played the poker machines.

Where the bars had yet to open for business, agents broke down doors, Hemphill said.

Agents did just that two blocks away at North Idaho Sales, 615 Cedar, owned by Leif Merrill Field of Osburn, Idaho. Agents loaded about 30 poker machines and various other gambling paraphernalia into a 26-foot truck.

Nearly all of the machines had the statement "For amusement only" stamped on them.

"They probably spent \$1 million on this," said Chris Stuecker, who stood nearby, shaking his head as he watched agents use a hand truck to



An FBI agent examines dozens of gambling machines seized Sunday in Shoshone County.

Staff photo by Jesse Timlin

wheel poker machines up a ramp and into one of six trucks used Sunday.

"This is another example of the federal government trying to tell us what's moral. What are they protecting me from?"

"We are no den of inquiry. This is a peaceful town trying to make it through some hard times. They could have one agent follow (White House Chief of Staff John) Sununu around for a day and get more stuff on him than they got here with 150 or more agents."

The raid was the talk of Wallace late into the afternoon and evening.

Hemphill said a person would have been blind not to have seen agents wearing dark blue nylon jackets with "FBI" printed in bright yellow on the

back and black baseball caps with "FBI" stitched in white.

Other bar owners were upset about the raids, but refused to talk with a reporter.

Agents from Seattle, San Francisco and the Intermountain region gathered at the Kootenai County Sheriff's Department in Coeur d'Alene, which served as command post, Sunday evening to write reports, inventory lists and count confiscated money.

The Shoshone County Sheriff's Department was not involved in the operation.

Several of the agents sat at a picnic table at the north entrance of the sheriff's department. Others lounged on the grass nearby, listening to taped

interviews with bar owners and managers.

Truckload after truckload of gambling equipment was taken to storage garages in Coeur d'Alene. Screen said.

Screen said agents had set Sunday as the day of the raid at least two months ago.

"We figured the machines would have quite a bit of money from Friday's and Saturday's takes and we picked Sunday morning because of a safety factor and because it would be quiet."

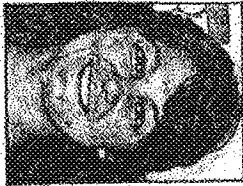
Screen said all search warrants and lists of items confiscated must be returned to Judge Harold Ryan today.

"We've got an awful lot of work ahead of us tonight," he said.

INTO THE COUNTRY

Sunday, July 28, 1991, The Anchorage Times 119

Winner nets \$10,000 pot



MCGRATH —

"She had to call and scream at everybody: 'Hey, guess what!'"

That was the reaction of an aunt of 28-year-old

Melody Strick of

Strick

McGrath, who earlier this month became the first of four \$10,000 prize winners in the Arctic Treasure Instant Win Game.

Strick, the development director at radio station KSKO, purchased 13 Arctic Treasure Cards at the Alaska Commercial Co. store in McGrath. The cards are Alaskan collector items similar in format to baseball cards.

Strick, the mother of three, said it will not be hard to use the money quickly. She plans an addition to her home in McGrath and paying off bills.

Three more \$10,000 prizes remain to be claimed in the statewide promotion.

—Times Staff

contest did not

but I

Belie

The

going

world"

race"

backs

—feath

contest

pulled

singer.

But the

Labrador

retriever

desig-

nated as

the passen-

ger failed

to get

into the

holiday

sprint

and bolted

twice from

the sled.

Finally,

local

children

were recruited

as substi-

tutes and

the race

continued.

I

dre

are

list

ac

fly

at

listeners of WBZ, visited Skagway recently to meet "Officer Matt." They wanted a token to take back to the Boston DJ. Belzer complied with a shoulder patch from the Skagway Police Department.

—Su Rappleye

Alutics camp at ancient site

PORT GRAHAM — Thirty-five

Alutic youths of the Chugach region in Prince William Sound spent 10 days earlier this month at an ancient site near here once occupied by their ancestors.

will focus on tentative plans for a comparative study of cultural revitalization efforts in Kodiak and two sites in South America.

"The basic premise is to give us a show where this is going on. That they are examples of self-determination," Pullar said.

—Times Staff

Hospital bids being sought

KOTZEBUE — The bidding process for the new \$12.5 million hospital here is expected to begin Aug. 13, with an award anticipated Oct. 10.

copy/dpg

August 31, 1955

TO: DIRECTOR, FBI

Attention: Training & Inspection
Division

FROM: SAC, ANCHORAGE (80-33)

SUBJECT: UNITED STATES ATTORNEYS -
SUGGESTIONS

Re SAC Letter No. 55-51 (B).

Enclosed herewith are blank memoranda regarding contacts with United States Attorneys for the four judicial divisions, District of Alaska.

FOURTH

USA THEODORE F. MUNSON, First Division; USA THEODORE F. STEVENS, Fourth Division; and USA WILLIAM T. PLUMMER, Third Division, were contacted by me personally. USA RUSSELL HERMANN, Second Division, Nome, Alaska, was contacted by SA [redacted] on the occasion of regular roadtrip in view of the great distance from headquarters city.

b6
b7c

JAH:il

(4)

Enclosures (20)

162-53471-

NOT RECORDED

78 SEP 15 1955

FBI - Stevens-2881

SEP 20 1955

ORIGINAL FILED IN 62-11277-113



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

August 31, 1955

United States Attorney Theodore F. Stevens
Fourth Judicial Division
District of Alaska
Anchorage, Alaska

United States Attorney Theodore F. Stevens stated that he had only a single problem, so far as the Bureau was concerned, and that was in "squaring himself with Mr. Harbo." He said he realizes that he was in error in the statements he made about the Bureau on the occasion of his last United States Attorneys Conference and that at the first opportunity he wanted to talk to Mr. Harbo personally and assure him of this fact. The details concerning this matter are contained in Bureau letter dated October 15, 1954, captioned "Theodore F. Stevens, United States Attorney, Fairbanks, Alaska."

Mr. Stevens continued that he is exceptionally well pleased with the work of the Bureau, and particularly the Fairbanks Resident Agents. He commented on the fine, workable and friendly relationship.

62-53471-5 Stevens-2882
ENCLOSURE

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: 5/4/56

FROM : SAC, Anchorage-(80-27)

SEE REVERSE SIDE FOR
ADD. DISSEMINATION.

SUBJECT: THEODORE E. STEVENS
United States Attorney
Fairbanks, Alaska;
ROBERT J. McNEALY RO
Former United States A
Fairbanks, Alaska;

U.S. ATTORNEY
DIVISION FOUR

Former Assistant United States Attorney
Fairbanks, Alaska

Reburad to this office May 2, 1956. There is attached hereto a blank memorandum reflecting the details requested in refrad.

On April 30, 1956, United States Attorney THEODORE F. STEVENS advised he had forwarded all information and copies of all of the above criminal complaints to the office of WARREN OLNEY III, Assistant Attorney General, Criminal Division, Department of Justice, Washington, D. C. STEVENS further advised the Department has been advised concerning ROBERT J. McNEALY and [REDACTED], former United States Attorneys at Fairbanks, Alaska.

STEVENS further advised Assistant United States Attorney GEORGE M. YEAGER has recently been in Washington, D. C., on official business and he, STEVENS, instructed YEAGER to contact the Criminal Division of the Department of Justice and advise them of the facts in this matter.

STEVENS, on May 3, 1956, advised the Resident Agent at Fairbanks that he had on that date filed a civil suit against [redacted] in the amount of \$90,000 damages for defamation of character and slander in connection with her filing of the criminal actions growing out of this incident. ALA

On April 19, 1956, Mr. STEVENS, while in conversation with SA [redacted] Senior Resident Agent at Fairbanks, concerning other official matters, informed

2 - Bureau (Encl.

1 - Anchrage

RBM/mér

(3)

ENCLOSURE

V. C. Palmer

with tickets

11/4-1

11 MAY 1958

INDEXED - 93
RECORDED - 93

FBI - Stevens-2883

b6
b7C

b6
b7C

TO: Director, FBI
RE: THEODORE F. STEVENS, etal

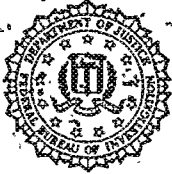
5/4/56

him that [] had on March 28, 1956, sought to file the complaints described in the attached blank memorandum against STEVENS. STEVENS said that he asked the U. S. Commissioner to withhold the filing of the complaints until such time as he could present the matter to the Department and solicit advice. In the interim he said that the U. S. Commissioner had been on a vacation in the States and returned on April 19, and since he had not heard from the Department she formally filed the complaints.

b6
b7c

I was that same evening telephonically advised of this action by SA []. His characterization of [] a search of our indices, and other factors known to me led me to believe that momentarily the Department would inform STEVENS of the action to take. On the basis of this reasoning I requested the Resident Agent to keep me informed of developments, and the next action was reported to the Bureau by radiogram of May 1, 1956.

Attached hereto is a blank memorandum summarizing the developments in this matter to date.



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

May 4, 1956

RE: THEODORE F. STEVENS
United States Attorney
Fairbanks, Alaska;
ROBERT J. McNEALY
Former United States Attorney
Fairbanks, Alaska;
[redacted]
Former Assistant United States Attorney
Fairbanks, Alaska

b6
b7c

On May 2, 1956, a review of the records of the United States Commissioner's Office at Fairbanks, Alaska, reflected the above-captioned individuals have been named as defendants in criminal complaints filed before the United States Commissioner at Fairbanks, Alaska, by one [redacted]

The following complaints on file at the United States Commissioner's Office are herein set forth.

Criminal Complaint Number 13913 reflects TED STEVENS as being charged with the crime of libel and slander in violation of Section 65-4-28, Alaska Compiled Laws Annotated, 1949. This complaint charges TED STEVENS on or about March 29, 1956, in the Fairbanks Precinct, Territory of Alaska, did willfully say to jury that she, [redacted] was guilty of perjury in bringing a perjury charge against one [redacted]

b6
b7c

This complaint was filed by [redacted] before United States Commissioner LADESSA NORDALE, Fairbanks, Alaska, March 28, 1956.

It is to be noted there was a date discrepancy on this instrument.

Criminal Complaint Number 13913 further reflects [redacted] filed an amended complaint before the United States Commissioner at Fairbanks, Alaska, on April 28, 1956.

FBI - Stevens-2885

ENCLOSURE

62-53471-16

The amended complaint reflects TED STEVENS is charged by [redacted] of the crime of libel and slander in violation of Section 65-4-28; Alaska Compiled Laws Annotated, 1949, as follows:

b6
b7C

On September 9, 1953, STEVENS commanded [redacted] to procure a search warrant in Commissioner's Court charging [redacted] with criminal offense of obstructing the passage of the mail in violation of Section 1701, Title 18, United States Code Annotated.

On January 19, 1955, STEVENS presented an indictment to the Grand Jury recommending a felony charge be brought against her and charging her with feloniously obtaining mail from a mail carrier.

On March 29, 1956, before the Grand Jury, [redacted]

[redacted]

b3

On May 1, 1956, at a preliminary hearing in United States Commissioner's Court, Fairbanks, Alaska, THEODORE F. STEVENS was found not guilty as charged in the above complaint.

b6
b7C

Criminal Complaint Number 13911 reflects TED STEVENS is accused by [redacted] in complaint of the crime of black-mail in violation of Section 4783, 1933 Alaska Compiled Laws Annotated; that TED STEVENS in the Fall of 1944 in the Court-house Library in Fairbanks Precinct, Fourth Division, Territory of Alaska, did willfully and unlawfully threaten [redacted] with a charge of theft of United States mail against her before the Grand Jury unless she came into his office and paid a fine for a so-called mail violation. Above complaint was filed March 28, 1956, before United States Commissioner LADESSA NORDALE, Fairbanks, Alaska, by [redacted]

On April 30, 1956, at a preliminary hearing in United States Commissioner's Court, Fairbanks, Alaska, THEODORE F. STEVENS was found not guilty. United States Commissioner NORDALE advised plaintiff had failed to show probable cause and advised the court that prosecution of STEVENS was malicious and the Commissioner advised she would assess court costs to [redacted]

FBI - Stevens-2886

Criminal Complaint Number 13910 reflects ROBERT McNEALY is accused by [redacted] of the crime of blackmail in violation of Statute 4783, Alaska Compiled Laws Annotated, 1933; that ROBERT McNEALY on March 31, 1953, in Fairbanks Precinct did willfully and unlawfully threaten [redacted] with a complaint and warrant against her unless she returned a parcel post package to the Post Office which had been legally delivered to her address. This complaint was filed before United States Commissioner LADESSA NORDALE at Fairbanks, Alaska, March 28, 1956.

Records of the United States Commissioner's Court reflect ROBERT McNEALY will be afforded a preliminary hearing on May 21, 1956.

b6
b7C

Criminal Complaint Number 13929 reflects ROBERT McNEALY is accused by [redacted] in complaint of crime in mailing threatening communications in violation of Statute 876, Title 18, United States Code Annotated; that ROBERT McNEALY on March 31, 1953, in Fairbanks Precinct did willfully and unlawfully mail the following letter to [redacted] Post Office Box 792, Fairbanks, Alaska:

"Dear [redacted]:

"Unless the parcel post package is returned to Post Office forthwith for delivery to Mrs. Eva Rodgers, a complaint and a warrant will be issued against you.

"Yours very truly,

S/ "R. McNealy
"R. J. McNealy
"United States Attorney"

This complaint was filed before United States Commissioner LADESSA NORDALE at Fairbanks, Alaska, on March 31, 1956. Records of the United States Commissioner's Office, Fairbanks, Alaska, reflect ROBERT McNEALY will be afforded a preliminary hearing on May 21, 1956.

Criminal Complaint Number 13912 reflects [redacted] is accused by [redacted] in complaint of the crime of procuring a search warrant without probable cause in violation of Section 5725 (1933), 66-7-15 Alaska Compiled Laws Annotated, 1949; that [redacted], on

b6
b7C

FBI - Stevens-2887

Division

September 9, 1953, in Fairbanks Precinct, Fourth ~~Territory~~, did willfully and unlawfully and without probable cause procure a search warrant to be issued and executed and the property of [] was entered under Search Warrant Number 10018 in violation of her civil and Constitutional rights. This complaint was filed before the United States Commissioner, Fairbanks, Alaska, on March 28, 1956, by []

The following criminal complaints filed in United States Commissioner's Court, Fairbanks, Alaska, were presented to the Grand Jury and no true bill was returned. Criminal Complaint Number 13845 reflects ROBERT J. McNEALY is accused by [] of the crime of perjury in violation of Section 66-9-21, Alaska Code, 1949; that ROBERT J. McNEALY on April 16, 1953, did swear in Commissioner's Court that [] did willfully and unlawfully obstruct the passage of mail in violation of Section 1701, Title 18, United States Code Annotated.

b6
b7C

This complaint was filed by [] in United States Commissioner's Court, Fairbanks, Alaska, on March 18, 1956.

Criminal Complaint Number 13846 reflects [] is accused by [] of the crime of perjury in violation of Statute 4873, Alaska Compiled Laws Annotated, 1933, 66-9-28 Alaska Compiled Laws Annotated, 1949. This complaint charges that [] on September 9, 1953, in Fairbanks Precinct, in Commissioner's Court, Case Search Warrant Number 10018, swore that [] had in her possession a parcel used as the means of committing a criminal offense, to wit, obstruction of passage of mail in violation of Section 1701, Title 18, United States Code Annotated. This complaint was filed by [] before the United States Commissioner at Fairbanks, Alaska, on March 18, 1956.

Criminal Complaint Number 13901 reflects [] is accused by [] of the crime of perjury in violation of Statute; that [], on May 7, 1953, in Fairbanks, swore in District Court, Fourth Division, "that on or about 26th day of March, 1953, in the Fairbanks Precinct, Fourth Division in the Territory of Alaska, [] the above-named defendant then and there being, did then and there willfully and unlawfully and knowingly obstruct the passage of mail by holding and refusing

FBI - Stevens-2888

to return to the Post Office at Fairbanks, Alaska, or to a duly authorized agent, of the Post Office Department, a package addressed to [redacted], said package having been legally delivered to the address of the said [redacted] after she, the said [redacted] had been requested and directed to do so in violation of Section 1701, Title 18, of the United States Codes Annotated.

This complaint was filed by [redacted] in United States Commissioner's Court on March 26, 1956.

The following background information concerning [redacted] is being set forth in order to better evaluate the plaintiff's actions and intentions concerning the above-captioned individuals.

It is to be noted ROBERT J. McNEALY and [redacted] were United States Attorney and Assistant United States Attorney respectively at Fairbanks, Alaska, in 1953. The present United States Attorney THEODORE F. STEVENS entered office in October, 1953.

5/17/56
4/15/56
X

In April, 1953, [redacted] was the subject of a Post Office investigation in which she was eventually charged with obstruction of the passage of the mail and charged with violation of Section 1701, Title 18, United States Code Annotated. In connection with this case both McNEALY and [redacted] prosecuted this case and in June, 1953, [redacted] was found guilty as charged in District Court, District of Alaska, at Fairbanks, Alaska. On an appeal to the 9th Circuit Court of Appeals the findings of the lower court were reversed. The 9th Circuit Court intimated this case had been tried under the wrong section of the statute in handing down their decision. At a subsequent date a motion to retry this case was dismissed in District Court, District of Alaska, at Fairbanks, Alaska.

As a result of her case being dismissed in District Court, [redacted] has found cause to file criminal complaints against all of above-captioned individuals who handled the mail case in connection with their duties in the office of United States Attorney.

In Criminal Complaint Number 13913 [redacted] action for filing a criminal complaint against United States Attorney THEODORE F. STEVENS arose out of proceedings before the Grand Jury at Fairbanks, Alaska, in March, 1956. In order to adequately defend himself to the charges made by [redacted] the attorneys for STEVENS obtained a special

FBI - Stevens-2889

court order to admit members of the Grand Jury [redacted]
[redacted] at the preliminary hearing which was held on May 1,
1956.

The testimony of the Grand Jury hearings was limited
to the case involving one [redacted]

STEVENSON was presenting instant case to the Grand Jury and [redacted]

b3

During the Grand Jury proceedings STEVENSON questioned

b3

In the course of the preliminary hearing on the
complaint in which TED STEVENSON was accused of the crime of
libel and slander, three members of the Grand Jury testified

During the course of the preliminary hearing and
under direct questioning by STEVENSON's defense attorney, [redacted]
[redacted] admitted she had a long history of filing complaints and
law suits. She further stated to the court that District
Attorneys all "seem to have a conspiracy against me." She
further stated she had started suits against persons who stole
a "pot and pan" from her in order to demonstrate how willing
she was to institute court action on the slightest provocation.

b6
b7C

JOHN B. HALL, Clerk, District Court, District of
Alaska, Fairbanks, Alaska, advised on May 2, 1956, that [redacted]
[redacted] has in recent years been either a defendant or a plaintiff

FBI - Stevens-2890

in at least thirty cases he knows of, these being civil actions, and he further stated there are numerous other criminal actions wherein [] is either a plaintiff or a defendant.

On May 22, 1941, [] Fairbanks, reported that someone had stolen gold from her mining claim near Fairbanks during her absence from the Territory in the Spring of 1940. She stated she suspected that some of her gold might have been sold to a Fairbanks jewelry store and requested the assistance of the FBI in determining whether the gold sold to local store was from her mining claim. She stated she was not interested in enforcement of the law because she had absolutely no respect for it but was solely interested in recovering her gold.

Mr. SAM O. WHITE, Wildlife Agent, Territorial Game Commission, advised on May 22, 1941, that [] had a very unsavory reputation in Fairbanks, Alaska, and was a suspect in connection with the murder of an old prospector during the 1920s and was suspected of having fleeced several old-timers in the area.

b6
b7c

By letter dated October 10, 1945, former United States Attorney HARRY O. AREND, Fairbanks, Alaska, requested a perjury investigation of [], on the basis of an allegation that [] had committed perjury by falsely testifying under oath before the United States Commissioner. The request was based on a criminal information filed by [] on September 22, 1945, in which she charged that [] falsely swore under oath that she had not withdrawn her bid during an auction sale in which one hundred shares of stock were sold by an estate of which [] was administrator. [] was found not guilty after a jury trial at Fairbanks on May 9, 1946. The matter was reported under the caption [] wa., Gus, Alaskan Matter - Perjury.

(Mount Clipping in Space Below)

Ask Shipping Probe

Inouye, Murphy, Stevens Delay

By Bob Poole
and Merrill Brown
© Media General News Service

Three congressmen have asked the Justice Department to delay prosecution of shipping companies that have been accused of paying millions of dollars in illegal rebates to customers.

Two of them have close ties to the shipping industry.

Sen. Daniel K. Inouye, D-Hawaii, Rep. John M. Murphy, D-N.Y., and Sen. Ted Stevens, R-Alaska, have asked the attorney general to stall the investigation until Congress acts

on legislation next year that would give shipping companies amnesty from criminal prosecution or civil penalties in rebating cases.

One of the companies the Justice Department is investigating for alleged criminal conspiracy in the rebating schemes is Sea-Land Service, Inc., a shipping subsidiary of R.J. Reynolds Industries Inc.

Sea-Land, the world's largest containerized steamship line, recently admitted that it had paid out about \$19 million in illegal or improper rebates to attract customers from 1971 to 1975.

AS A RESULT of that admission,

Sea-Land agreed to pay a \$4 million penalty to the Federal Maritime Commission, the agency responsible for enforcing the rebating laws.

Inouye, who is chairman of the Senate subcommittee on merchant marine and tourism, received \$11,805 in loans and political contributions from Sea-Land's Washington lobbyist in 1973, according to records at the Federal Election Commission. In 1971 Inouye hired Patricia McLean, the daughter of Malcom P. McLean, the man who founded Sea-Land. She was a legislative assistant in Inouye's Washington office.

Murphy, who is chairman of the

House Merchant Marine Committee, received \$16,200 in contributions from maritime unions and executives in his 1976 campaign, according to federal reports.

Stevens, the third-ranking member of the Senate Commerce Committee, also signed the letter sent to Attorney General Griffin B. Bell on Nov. 3.

"We respectfully request that you consider advising all local U.S. attorneys that prosecutions for rebating or conspiracy to rebate be held in abeyance pending outcome of the legislation now under active consideration," the letter said.

BUT ANOTHER MEMBER of the

(Indicate page, name of newspaper, city and state.)

Date: 11/12/77
Edition: WASHINGTON STAR
Author:
Editor:
Title: Ask Shipping Probe
Inouye, Murphy, Stevens
Character: Delay
or
Classification:
Submitting Office: NYO
☒ Being Investigated

58-2136-17

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 13 1977	
FBI-NEW YORK	

**Commission on the Bicentennial of the
United States Constitution**

*Appointment of 17 Members and
Designation of Chairman. June 25, 1985*

The President today announced his intention to appoint the following individuals to be members of the Commission on the Bicentennial of the United States Constitution. The President also intends to designate Chief Justice Warren E. Burger as Chairman, who is a member by law.

Frederick K. Biebel is executive vice president and treasurer of the International Republican Cooperation Fund in Washington, DC. He was born April 5, 1926, in Bridgeport, CT, and now resides in Stratford, CT.

Betty Southard Murphy is partner in the law firm of Baker & Hostetler in Washington, DC. She was born March 1, 1928, in East Orange, NJ, and now resides in Alexandria, VA.

Phyllis Schlafly is president of Eagle Forum in Washington, DC. She was born August 15, 1924, in St. Louis, MO, and now resides in Alton, IL.

Bernard H. Siegan is distinguished professor of law at the University of San Diego. He was born July 28, 1924, in Chicago, IL, and now resides in La Jolla, CA.

Ronald H. Walker is managing director and partner of Korn/Ferry International in Washington, DC. He was born July 25, 1937, in Bryan, TX, and now resides in Potomac, MD.

Charles Alan Wright is professor of law at the University of Texas at Austin. He was born September 3, 1927, in Philadelphia, PA, and now resides in Austin, TX.

Upon the recommendation of Warren E. Burger, Chief Justice of the United States:

Herbert Brownell is currently of counsel with the law firm of Lord, Day and Lord in New York City. He was born February 20, 1904, in Peru, NE, and now resides in New York City.

Cornelia C. Kennedy is currently U.S. Circuit Judge for the Sixth Circuit. She was born August 4, 1923, in Detroit, MI, and now resides in Grosse Pointe Woods, MI.

Obert Clark Tanner is founder and chairman of the board of OC Tanner & Co. He was born September 20, 1904, in Farmington, UT, and now resides in Salt Lake City, UT.

Charles Edward Wiggins is currently U.S. Circuit Judge for the Ninth Circuit. He was born December 3, 1927, in El Monte, CA, and now resides in San Francisco, CA.

Upon the recommendation of the President pro tempore of the Senate in consultation with the majority leader and minority leader of the Senate:

Harry McKinley Lightsey, Jr., is dean, University of South Carolina School of Law. He was born December 27, 1931, in Columbia, SC, and now resides in West Columbia, SC.

FEDERAL GOVERNMENT

OE-NC

Edward P. Morgan is owner of the law firm of Welch & Morgan of Washington, DC. He was born May 28, 1913, in St. Louis, MO, and now resides in Bethesda, MD.

Theodore Fulton Stevens is a U.S. Senator for the State of Alaska. He was born November 18, 1923, in Indianapolis, IN, and now resides in Chevy Chase, MD.

Upon the recommendation of the Speaker of the House of Representatives, in consultation with the minority leader of the House of Representatives:

Lynne Anne Vincent Cheney is currently senior editor of the Washingtonian magazine. She was born January 14, 1941, in Casper, WY, and now resides in Washington, DC.

Philip M. Crane is U.S. Representative for the 12th District of Illinois. He was born November 3, 1930, in Chicago, IL, and now resides in Washington, DC.

William Joseph Green is an attorney with the firm of Wolf, Block, Schorr & Solis-Cohen of Philadelphia. He was born June 6, 1938, in Philadelphia, PA, and still resides there.

DE-28

161-18248 1985

NOT RECORDED
JUL 30 1986
62

"Weekly Compilation of
Presidential Documents"
July 1, 1985
Vol. 21 - No. 26

FBI - Stevens-2922

22

161-18248

6-1AB:ads
file

~~SECRET~~

Memorandum



To: *C/ep* SAC, WASHINGTON FIELD OFFICE
(S) [redacted] (P) (CI-2)

Date 4/3/86

From : [redacted] IA

~~SECRET~~

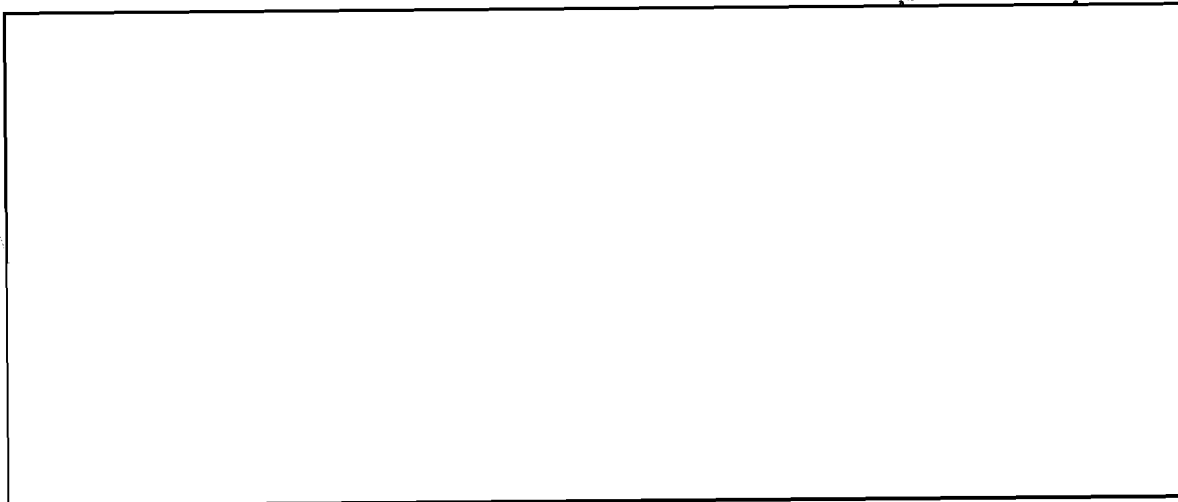
b1
b6
b7C

(S) Subject : [redacted]

(OO: WFO)

~~All markings, notations and items of information contained in this communication are classified "Secret" unless otherwise noted.~~

Re WFO memo captioned as above dated 1/21/86.



b1

The attached information is being furnished for your information and any action you deem necessary.

~~SECRET~~
Classified by: 5867
Declassify on: OADR

[Signature]
1- WFO
VJM:vjm
(2)

DATE: 12-20-2010
CLASSIFIED BY 65179 DMH/SBS
REASON: 1.4 (c,d)
DECLASSIFY ON: 12-20-2035

(S)

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
APR 03 1986	
FBI - WASH. FIELD OFFICE	

[Signature]

b1
b6
b7C

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

~~SECRET~~

FBI-Stevens-2923

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 1

Page 2 ~ b1

FBI

Date: 9/1/70

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

Mr. Tolson	
Mr. Sullivan	
Mr. Mohr	
Mr. DeLoach	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

TO: DIRECTOR, FBI

FROM: SAC, WFO (178-New) (P)

UNSUB. aka

IOHTC
(OO:WFO)

Enclosed for the Bureau are the original and three copies of an LHM concerning captioned matter, suitable for dissemination.

Investigation reflected in enclosed LHM was conducted at Washington, D.C. (WDC) by SA [redacted]

LEADWASHINGTON FIELD

AT WASHINGTON, D.C. (1) Will maintain contact with the Chesapeake and Potomac Telephone Company regarding attempts to identify caller.

ST-121

REC-23

MGT-1

178-77-1

(2) Will present to U.S. Attorney.

1 CC LHM For T. Room 5718 + TCC listed
1 CC LHM USSS

4 - Bureau (Enc. 4)
1 - WFO

1 SEP 3 1970

REL:bfm
(3)

FBI - Stevens-2925

Approved: SP1
60 SEP 17 1970 Special Agent in Charge.

Sent _____ M Per _____



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Washington, D.C. 20535
September 1, 1970

In Reply, Please Refer to
File No.

UNKNOWN SUBJECT, also known as

INTERSTATE OBSCENE OR
HARASSING TELEPHONE CALLS

b6
b7C

On August 28, 1970, Senator Ted Stevens (R-Alaska) telephonically contacted the Washington Field Office of the Federal Bureau of Investigation to advise that captioned individual had been attempting to contact him by long distance collect calls several times at his office during the past week. Members of his staff refused to accept these calls, but during the short conversations that ensued, he identified himself as above. Staff members who received these calls told him the Senator was out of town and would not be available until August 28, 1970.

On August 28, 1970, Senator Stevens did return and the caller attempted to reach him collect five times during the day at his office and three times at his home in the evenings. Senator Stevens telephone is listed under his wife's name and for that reason he was unable to explain how the caller obtained that number. Each time he refused to accept the call since this individual is completely unknown to him. At that time, Senator Stevens indicated he would request the assistance of the Chesapeake and Potomac Telephone Company in identifying this individual.

On August 31, 1970, Senator Stevens advised the only clues he had as to the identity of the caller would be this individual's statement that he was calling from California and the fact that an individual by the same or similar name was thrown out of his office by members of his staff some time ago. At that time, this individual was causing a disturbance during working hours and was dressed in homemade Nazi garb and appeared to be mentally unbalanced.

FBI - Stevens-2926

178-77-1

UNKNOWN SUBJECT, also known as

[REDACTED]

b6
b7C

Senator Stevens advised he has enlisted the aid of the Chesapeake and Potomac Telephone Company in identifying the caller, but has heard of no results to date. In addition, the calls have stopped since August 28, 1970. He pointed out finally that no threats of any kind were made by this individual to any of the persons who received these calls.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FBI - Stevens-2927

Memorandum

LKD:PWM:mlw
DJ 144-6-0

Subject

Correspondence from Senator Ted Stevens

Date

JUL 10 1991

To

Harper Wilson
Chief, Uniform Crime Reporting
Program
Federal Bureau of Investigation

From

Linda K. Davis
Chief, Criminal Section
Civil Rights Division

Attached for your information is a copy of a letter from Senator Ted Stevens enclosing a Juneau Empire article concerning an anti-Semitic cult near Ketchikan, Alaska. Also attached is a copy of our proposed response to Senator Stevens.

McFall

All is fine except
for changes marked
on letter thank
you.

44-0-89663

FBI - Stevens-2968

WENDELL H. FORD, KENTUCKY, CHAIRMAN
CLAIBORNE PELL, RHODE ISLAND
ROBERT C. BYRD, WEST VIRGINIA
DANIEL K. INOUE, HAWAII
DENNIS DECONCINI, ARIZONA
ALBERT GORE, JR., TENNESSEE
DANIEL PATRICK MOYNIHAN, NEW YORK
CHRISTOPHER J. DODD, CONNECTICUT
BROCK ADAMS, WASHINGTON
TED STEVENS, ALASKA
MARK O. HATFIELD, OREGON
JESSE HELMS, NORTH CAROLINA
JOHN WARNER, VIRGINIA
ROBERT DOLE, KANSAS
E.J. BAKEWELL, UTAH
MITCH MCCONNELL, KENTUCKY

JAMES O. KING, STAFF DIRECTOR
WILLIAM MCWHORTER COCHRANE, SENIOR ADVISER
GAIL S. MARTIN, CHIEF CLERK
WAYNE A. SCHLEY, REPUBLICAN STAFF DIRECTOR

United States Senate

COMMITTEE ON
RULES AND ADMINISTRATION
WASHINGTON, DC 20510-6325

May 17, 1991

W. Lee Rawls
Assistant Attorney General
Office of Legislative Affairs
Room 4119
U.S. Department of Justice
Washington, DC 20530

Dear Mr. Rawls:

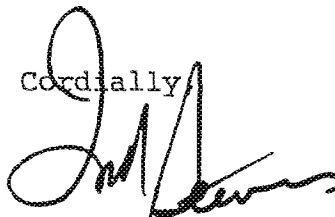
The Juneau Empire recently published the enclosed very disturbing article about an anti-Semitic cult being set up near Ketchikan, Alaska.

I would appreciate if you would pass this information along to appropriate offices at the Justice Department, for purposes of the Hate Crime Statistics Act and any other appropriate law enforcement activities.

Please direct any follow-up correspondence on this matter to [redacted] of the Rules Committee staff, at [redacted]. Thank you for your assistance.

With best wishes,

Cordially,


TED STEVENS

Enclosure

EXECUTIVE SECRETARIAT

91 MAY 21 P5:08

RECEIVED
DEPARTMENT OF JUSTICE

b6
b7c

2003

Sgs

Junian Empire 5/19/

44-10-D

RECORD
DEPARTMENT OF JUSTICE
MAY 22 1991
CIVIL RIGHTS DIV.

Racist cult sets up church near Ketchikan

THE ASSOCIATED PRESS

KETCHIKAN - A quasi-religious cult that blames Judaism for most of the world's ills has used an anti-Semitic mailing to announce its new church in Southeast Alaska.

Our Savior's Church of the Wilderness said it will hold its services near Webster Point, about 40 miles west of Ketchikan, on a former mining claim that it bought in 1989.

To announce the new church location, the church sent out a newsletter called "Our Savior's Cross" to most boxholders in Hydenburg, Craig and Klawock.

The four-page newsletter accuses the Jewish people of causing the world's wars and all the world's murders, as well as many other

crimes.

"There is a people who desire (and) crave war," the newsletter begins. "There is a mysterious anti-Christ people who have the money to lend ... and who operate all news outlets to incite the deluded nations to hate and murder one another. That people is the Jews."

"Our beautiful America will pass from an exhausting war to fatal revolution ... Soon the Jews will unveil, in Jerusalem, the anti-Christ and proclaim them the masters of the universe. Their tyranny will be cruel, deadly and will endure 42 months," the newsletter said.

It also attacks a Christian evangelist named C.I. Scofield, who was a

teacher at Dallas Theological Seminary.

"C.I. Scofield and the rest of the secret Jew preachers prostrate the nominally Christian people before the Jews with the lie that Satan's sons are God's chosen," said the newsletter.

Susan and Richard Mathews, an Arizona couple, sold the land to Rev. Gordon Winrod of Missouri and Arkansas. Susan Mathews said she didn't know what the land would be used for at the time of the sale.

"Oh, that's creepy," she said

men told of the church. "We never would have sold them the land if we knew what they were up to (because) I'm Jewish, too."

Last month Winrod signed over the land to his son, David, who was listed as publisher of the anti-Semitic newsletter.

The newsletter was legal to send through the mail because of freedom of speech laws. Dave Breault, an inspector in the Postal Service's Seattle office, said there would have to be a specific threat against an individual to make a mailing illegal.

2007 556 7102

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

This is in response to your recent letter concerning a May 1, 1991, Juneau Empire article on the emergence in Ketchikan, Alaska, of a religious cult calling itself Our Savior's Church of the Wilderness. You expressed concerns over the anti-Semitic nature of the group and brought the article to our attention for the purpose of the Hate Crime Statistics Act and any other law enforcement purpose.

We share your concern for the kind of anti-Semitic message espoused by this group. However, the kind of statements referred to in the newspaper article are protected under the First Amendment of the Constitution and do not present a violation of federal criminal civil rights statutes. For purposes of the Hate Crime Statistics Act, we have referred your letter and the newspaper article to the Community Relations Service for their information. We have also referred your correspondence to the Uniform Crime Reports Unit of the FBI, since it has responsibilities for implementing the Act.

We appreciate your comments and thank you for bringing this matter to our attention.

 Sincerely,

W. Lee Rawls
Assistant Attorney General

FBI - Stevens-2971

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description Unrecorded Serial

Total Deleted Page(s) ~ 25

Page 1 ~ b1
Page 2 ~ b1
Page 3 ~ b1
Page 4 ~ b1
Page 5 ~ b1
Page 6 ~ b1
Page 7 ~ b1
Page 9 ~ b1
Page 10 ~ b1
Page 11 ~ eab1
Page 12 ~ R4 b1
Page 13 ~ b1
Page 14 ~ b1
Page 15 ~ eab1
Page 16 ~ R4 b1
Page 17 ~ b1
Page 19 ~ b1
Page 20 ~ eab1
Page 21 ~ R4 b1
Page 22 ~ R4 b1
Page 23 ~ b1
Page 24 ~ eab1
Page 25 ~ v b1
Page 26 ~ b1
Page 28 ~ b1

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X Deleted Page(s) X
X No Duplication Fee X
X 1st Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

WFO 46A-11357
WCB:lv

On December 10, 1987, at 2:36 PM, [] provided SA [] with the following information.

Source advises that on [] at approximately [] he/she had a luncheon engagement with [] reporter for the [] at the [] in Washington, D.C.

b2
b6
b7C
b7D

As had previously been discussed, [] real estate papers alleged to be documents representing the purchase of a home by United States Attorney JOE DIGENOVA. [] reflecting the sale of a house for \$450,000 on [] Chevy Chase, Maryland. [] the house was purchased in 1985 by Senator TED STEVENS from the Alaska Pacific Bank, Juneau, Alaska. Noted on the sales agreement was a loan guarantee to the Alaska Pacific Bank by the Alaska Housing Authority under a veterans housing subsidy.

It is noted that on December 30, 1986, the loan was formerly transferred to JOSEPH DIGENOVA [] The loan amount was for \$360,000 by the Investors Savings Bank of Richmond, Virginia. In review of these loan documents it appears that the loan is a 7.25 percent loan, adjustable rate mortgage (ARM) with a life cap of 5 points on the 30 year note.

[] points out that one of the [] on the "Deed of Trust" for the bank is a [] states that [] has been indicted on various fraud charges in the past but was never tried. [] also advises the fraud charges stem from [] It is also [] information that [] as does the Investors Savings Bank of Richmond, Virginia.

[] the various real estate documents, under the section entitled "Listing", it was observed that a "HOC loan available" was found in the company printout for the real estate for that specific property on [] [] claims that HOC stands for Home Owners Corporation.

b6
b7C
b7D

[] documents in possession of [] any entity identified as HOC comes into play in the transaction or sale of the house between STEVENS and DIGENOVA.

[] also claims to have reviewed the various records regarding the [] noting that he had

WFO 46A-11357

discovered that [REDACTED] the
Baltimore United States Attorney, BRICKENRIDGE WILCOX. [REDACTED]
then repeats an earlier conversation regarding what he alleged
to have learned concerning a relationship between DIGENOVA,
WILCOX, and Senator MAITHIS.

b6
b7C
b7D

FBI - Stevens-3002

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description - Unrecorded Serial

Total Deleted Page(s) ~ 2

Page 1 - b1, b7C

Page 2 - b1

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X Deleted Page X
X NO LES SSC ENC Fee XXXXXXXXXXXX
X fe EBH P a3 X
XXXXXXXXXXXX\$XXXXXXXXXXXXXXXXXXXX

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description Unrecorded Serial

Total Deleted Page(s) 4919

Page 1 ~ b1 b1
Page 2 ~ b1 b1
Page 3 ~ b1 b1
Page 4 ~ b1 b1
Page 5 ~ b1 b1
Page 6 ~ b1 b1
Page 7 ~ b1 b1
Page 8 ~ b1 b1
Page 9 ~ b1 b1
Page 10 ~ b1 b1
Page 11 ~ b1 b1
Page 12 ~ b1 b1
Page 13 ~ b1 b1
Page 14 ~ b1 b1
Page 15 ~ b1 b1
Page 16 ~ b1 b1
Page 17 ~ b1 b1
Page 18 ~ b1 b1
Page 19 ~ b1 b1

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X Deleted Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ Unrecorded Serial

Total Deleted Page(s) ~ 22

Page 1 ~ b1, b6, b7C

Page 2 ~ b1

XXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page? X
X No Duplication Fee X
X This Page X
XXXXXXXXXXXXXXXXXXXXXXXXX

FEDERAL BUREAU OF INVESTIGATION
FOIA
DELETED PAGE INFORMATION SHEET

Serial Description ~ Unredacted Serial

Total Deleted Page(s) ~ 55

Page 1 ~ b1 b1

Page 2 ~ b1 b1

Page 3 ~ b1 b1

Page 4 ~ b1

Page 5 ~ b1

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X NO DUPLICATION X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX > XXXXXX

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ Unrecorded Serial

Total Deleted Page(s) ~ 54

Page 1 ~ b1
Page 2 ~ b1
Page 3 ~ b1
Page 4 ~ b1
Page 5 ~ b1
Page 6 ~ b1
Page 7 ~ b1
Page 8 ~ b1
Page 10 ~ b1
Page 11 ~ b1
Page 12 ~ b1
Page 13 ~ b1
Page 14 ~ b1
Page 15 ~ b1
Page 16 ~ b1
Page 17 ~ b1
Page 18 ~ b1
Page 19 ~ b1
Page 20 ~ b1
Page 21 ~ b1
Page 22 ~ b1
Page 23 ~ b1
Page 24 ~ b1
Page 25 ~ b1
Page 26 ~ b1
Page 27 ~ b1
Page 28 ~ b1
Page 29 ~ b1
Page 30 ~ b1
Page 31 ~ b1
Page 32 ~ b1
Page 33 ~ b1
Page 34 ~ b1
Page 35 ~ b1
Page 36 ~ b1
Page 37 ~ b1
Page 38 ~ b1
Page 39 ~ b1
Page 40 ~ b1
Page 41 ~ b1
Page 42 ~ b1
Page 43 ~ b1
Page 44 ~ b1
Page 45 ~ b1
Page 46 ~ b1

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X Deleted Page(s) 5 X
X No Duplication Fee X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D. C. 20535-0001

February 6, 2001

Honorable Ted Stevens
United States Senator
Suite 2
222 West 7th Avenue
Anchorage, Alaska 99513

Dear Senator Stevens:

Your letter dated January 16, 2001, directed to Mr. Jon P. Jennings, Acting Assistant Attorney General, Office of Legislative Affairs, U. S. Department of Justice, concerning the Freedom of Information Act (FOIA) request of your constituents, Alexandra Wormuth, Mary Ann Chaney, Conny Vandegriff, Anne Loewe and Troy Zaumseil, for information in our files pertaining to an assault at the correction facility in downtown Anchorage, has been referred to me for response.

The FOIPA provides for access to Government records where the records sought are "reasonably described" [Title 5, United States Code, Section 552a(a)(3)(A)]. Your letter does not contain enough descriptive information to permit a search of our records.

In accordance with Title 28, Code of Federal Regulations, Part 16.3(b), please provide us more specific information. Any information that would help locate the records with a reasonable amount of effort would be appreciated, such as complete names of individuals, organizations, the name of the facility or events and dates, and the approximate time frame of the information sought, etc.

If I can be of any further assistance to you in this FOIPA matter, please do not hesitate to contact me.

Sincerely yours,

John M. Kelso, Jr.
Section Chief
Freedom of Information-
Privacy Acts Section
Office of Public and
Congressional Affairs

MAILED 71

FEB 12 2001

1st
1/31/01

Dep. Dir. _____
Chief of Staff _____
Off. of Gen. _____
Counsel _____
Asst. Dir.: _____
Admin. Serv. _____
Crim. Inv. _____
CIS _____
Finance _____
Info. Res. _____
Insp. _____
Inv. Serv. _____
Lab. _____
National Sec. _____
OPR _____
Off. of Public & Cong. Affs. _____
Training _____
Off. of EEOA _____
Director's Office _____

1-Exec. Sec., DOJ, Room 4545 - Encls. *Attached*
1-OLA, DOJ, Room 1612 - Encls. *Attached 7/2/01*
1-FBICR, Room 6248 - Encls. *Attached*
1- [redacted] Room 6575 - Encls.
JHH:jhh(9)

FBI - Stevens-3085

MAIL ROOM

Return to



6575

b6

6575

1117892

TED STEVENS, ALASKA, CHAIRMAN

THAD COCHRAN, MISSISSIPPI
ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMENICI, NEW MEXICO
CHRISTOPHER S. DONOHO, MISSOURI
SLADE GORTON, WASHINGTON
MITCH MCCONNELL, KENTUCKY
CONRAD BURNS, MONTANA
RICHARD C. SHELBY, ALABAMA
JUDO GREGG, NEW HAMPSHIRE
ROBERT F. BENNETT, UTAH
BEN MONTGOMERY CAMPBELL, COLORADO
LARRY CRAIG, IDAHO
KAY BAILEY HUTCHISON, TEXAS
JON KYL, ARIZONA

ROBERT C. BYRD, WEST VIRGINIA
DANIEL K. INOUE, HAWAII
ERNEST F. HOLLINGS, SOUTH CAROLINA
PATRICK J. LEAHY, VERMONT
FRANK R. LAUTENBERG, NEW JERSEY
TOM HARKIN, IOWA
BARBARA A. MIKULSKI, MARYLAND
HARRY REID, NEVADA
HERB KOHL, WISCONSIN
PATTY MURRAY, WASHINGTON
BYRON L. DORGAN, NORTH DAKOTA
DIANNE FEINSTEIN, CALIFORNIA
RICHARD J. DURBIN, ILLINOIS

STEVEN J. CORTESE, STAFF DIRECTOR
JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

January 16, 2001

Jon P. Jennings
Acting Assistant Attorney General
Office of Legislative Affairs
U.S. Department of Justice
Tenth and Constitution Ave., NW
Washington, D.C. 20530

Dear Mr. Jennings:

Enclosed is a copy of a letter I received from my constituents, ~~Alexandra Wormuth, Mary Ann Chaney, Conny Vandegriff, Anne Coewe, and Troy Zaumseil~~, requesting assistance with their request for a copy of the FBI investigation (under FOIA) for the assault at the correction facility in downtown Anchorage in August, 2000. I would appreciate it if you can review their concerns, and provide me with any information on which I may base a response.

Please send your reply to me at 222 West 7th Avenue, #2, Anchorage, Alaska 99513. Thank you for your assistance on this matter.

With best wishes,

Cordially,



TED STEVENS
United States Senator

Enclosure

190-0

77515

FOIPA
FRONT OFFICE
FBI - Stevens-3086
2001 JAN 29 4 6:39

JAN 17 2001

January 12, 2001

UNITED STATES SENATOR TED STEVENS
222 West Seventh Avenue, Suite 2
Anchorage, Alaska 99513

Dear Senator Stevens,

Shortly after August 28th, 2000, the FBI was contacted to do an investigation with respect to an inmate being assaulted by a correctional officer while in route to the 6th Avenue Jail. A number of the staff at that state facility participated in the investigation by being interviewed. We understand the investigation was concluded on or about November 21 and its contents sent to the Justice Department.

We, the undersigned, are requesting your assistance in obtaining for us, under the Freedom of Information Act, what, if any, were the recommendations of that investigation. We are very concerned that the State has not taken responsible action, but instead has simply moved employees from one location to another for the sake of appearances. No doubt, you have heard of the two deaths that have occurred at this same location since August 28th. We have no expectation the State will respond appropriately and are seeking your assistance.

Certainly you are aware that an incident of this magnitude generates a considerable amount of information. We are available to meet with one of your aids if you deem it necessary.

Thank you for your time and consideration in this matter,

Sincerely,

[Redacted Signature Box]

Mary Ann Chaney
Alexandra (Sasha) Wernuth
Conrad Danciger
Angie Roewe
Ray G. [Signature]

b6

FBI - Stevens-3087

Senator Ted Stevens
January 12, 2001
Page 2

Mary Ann Chaney



Alexandra (Sasha) Wormuth



b6

Conny J. Vandegriff



Anne L. Loewe



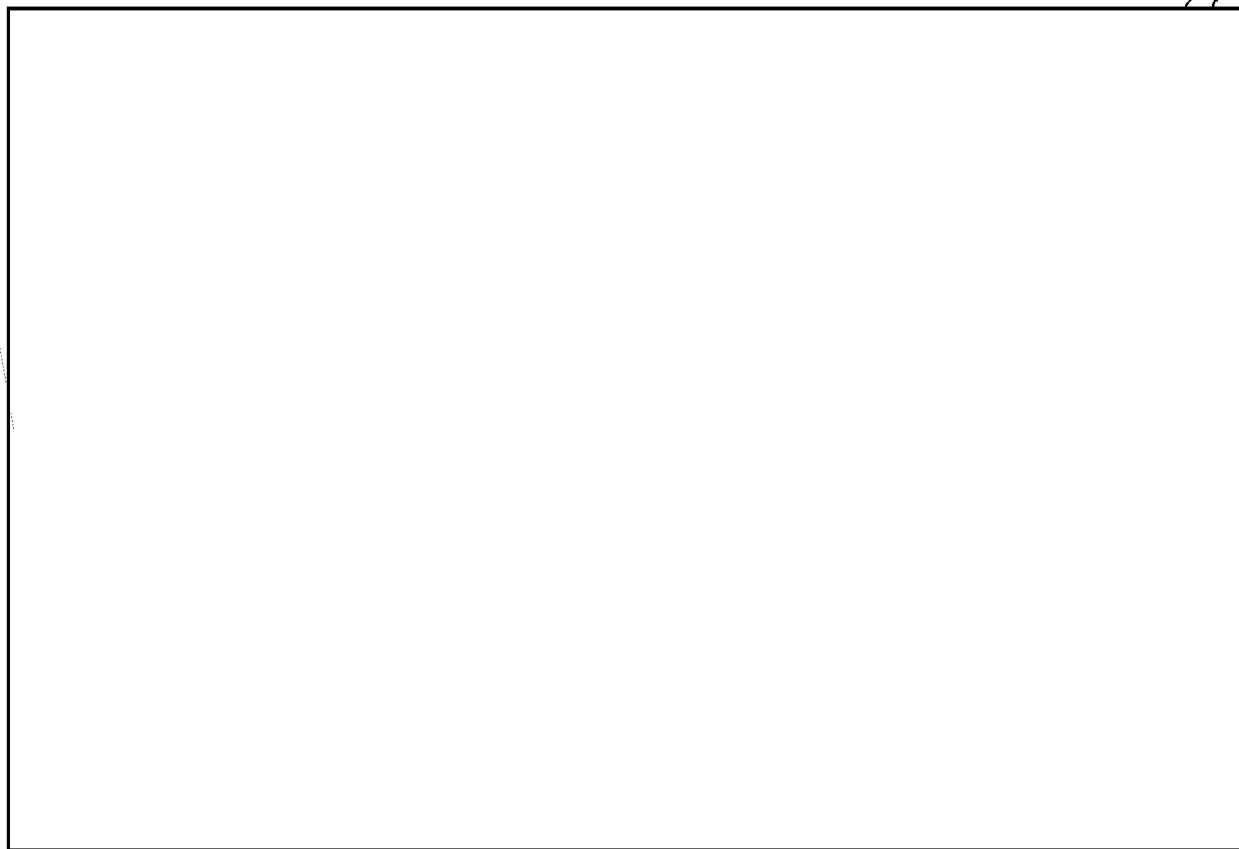
Troy G. Zaumseil



~~SECRET~~

CLM [REDACTED] JP
Washington Field
October 29, 2002

(S)



b1
b6
b7C

DATE: 12-20-2010
CLASSIFIED BY 65179 DMH/SBS
REASON: 1.4 (c,d)
DECLASSIFY ON: 12-20-2035

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

[MANDARIN]

(S)

1 - [REDACTED]
1 - SSA CI-9

1 - ELSUR

(S)

1 - [REDACTED]
1 - IT-5

1 - LS

Document Name: jp02302b.chv

Page 017

(S)



b1

~~SECRET~~

FBI - Stevens-3089

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees were charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 1

Page 2 ~ b1

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: DEADLINE 05/10/2010

Date: 05/10/2010

To: Records Management

Attn: [REDACTED]

NNCP/NCU#1/OPM#3/ICRC/I-18
[REDACTED]

From: Anchorage

Contact: IOA [REDACTED]

Approved By: [REDACTED]

b2
b6
b7C

Drafted By: [REDACTED] cvk

Case ID #: 62F-HQ-C1039976 (Pending)
194A-AN-13620-TSTEVENIS

Title: NAME CHECK SUMMARY FILE;
THEODORE FULTON STEVENS,
aka Ted Fulton Stevens;

Synopsis: To report results of file review at Anchorage.

Reference: 62F-HQ-C1039976 Serial 162222

Enclosure(s): Enclosed please find one (1) LHM pertaining to the review of subject's file.

Details: Referenced Records Management (RMD) EC to Anchorage, dated May 3, 2010, set forth a lead for Anchorage to review its file 194A-AN-13620-TSTEVENIS for any information pertaining to the subject. On May 10, 2010, Investigative Operations Analyst (IOA) [REDACTED] reviewed this file and 194A-AN-16320 for any information pertaining to the subject. A review of this file revealed the following:

b6
b7C

On or about July 29, 2008, a Federal Grand Jury at the United States District Court, District of Columbia, indicted the subject on seven (7) counts of violations of Title 18, United States Code (USC), Sections 1001(a)(1) and (2), in that he failed to report on his Senate Financial Disclosure Form a number of gifts he received from [REDACTED] VECO Corporation, and others. The gifts in question amounted to more than a

UNCLASSIFIED

FBI - Stevens-3091

UNCLASSIFIED

To: Records Management From: Anchorage
Re: 62F-HQ-C1039976, 05/10/2010

quarter of a million dollars in house renovations and gifts between 1999 and 2006.

On or about July 31, 2008, a search warrant was executed at the subject's residence, 138 Northland Road, Girdwood, Alaska.

On or about October 27, 2008, the subject was convicted at the United States District Court, District of Columbia, on seven (7) counts of violations of 18 USC 1001(a)(1) and (2).

On or about April 1, 2009, the United States Department of Justice (DOJ) filed a Motion of the United States to Set Aside Verdict and Dismiss Indictment With Prejudice. The DOJ asked that the verdict be set aside and no new trial would be requested in this matter.

Theodore Fulton Stevens, aka Ted Fulton Stevens and Theodore F. Stevens, was described as an unknown male, 5'8" 160 lbs., black hair, hazel eyes, date of birth November 18, 1923, place of birth Indianapolis, Indiana, Social Security Account Number 550-20-7038, Alaska driver's license 0142036.

UNCLASSIFIED

UNCLASSIFIED

To: Records Management From: Anchorage
Re: 62F-HQ-C1039976, 05/10/2010

LEAD(s) :

Set Lead 1: (Info)

RECORDS MANAGEMENT

AT WINCHESTER, VA

Read and clear.

♦♦

UNCLASSIFIED

3*

FBI - Stevens-3093



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

101 E. 6th Avenue
Anchorage, Alaska 99501
May 10, 2010

NAME CHECK SUMMARY
THEODORE FULTON STEVENS

On May 3, 2010, the Records Management Division (RMD) of the FBI set forth a lead for Anchorage to review its file 194A-AN-13620-TSTEVENSON for any information pertaining to the subject. On May 10, 2010, Investigative Operations Analyst (IOA) [REDACTED] reviewed this file and 194A-AN-16320 for any information pertaining to the subject. A review of this file revealed the following:

On or about July 29, 2008, a Federal Grand Jury at the United States District Court, District of Columbia, indicted the subject on seven (7) counts of violations of Title 18, United States Code (USC), Sections 1001(a)(1) and (2), in that he failed to report on his Senate Financial Disclosure Form a number of gifts he received from [REDACTED] VECO Corporation, and others. The gifts in question amounted to more than a quarter of a million dollars in house renovations and gifts between 1999 and 2006. b6 b7C

On or about July 31, 2008, a search warrant was executed at the subject's residence, 138 Northland Road, Girdwood, Alaska.

On or about October 27, 2008, the subject was convicted at the United States District Court, District of Columbia, on seven (7) counts of violations of 18 USC 1001(a)(1) and (2).

On or about April 1, 2009, the United States Department of Justice (DOJ) filed a Motion of the United States to Set Aside Verdict and Dismiss Indictment With Prejudice. The DOJ asked that the verdict be set aside and no new trial would be requested in this matter.



1903 - 2008 A Century of Fidelity, Bravery, and Integrity

FBI - Stevens-3094

62F-HQ-C1039976

Theodore Fulton Stevens, aka Ted Fulton Stevens and Theodore F. Stevens, was described as an unknown male, 5'8" 160 lbs., black hair, hazel eyes, date of birth November 18, 1923, place of birth Indianapolis, Indiana, Social Security Account Number 550-20-7038, Alaska driver's license 0142036.

221
OCT 24 1994

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Q DIRECTORS SIGNATURE MAIL

Dear Senator Stevens:

I want to thank you for supporting enactment of the "Communications Assistance for Law Enforcement Act" (H.R. 4922). With final passage of this legislation, Congress effectively addressed what I believe was the number one public safety and national security issue facing this country. I am most appreciative of your work on the Select Committee on Intelligence to get this bill enacted.

It is not often that law enforcement at every level is so firmly united on the need for a particular piece of legislation. In this instance we all recognized that, absent this legislation, one of the most critical crime-solving, and often crime-preventing, tools eventually would be lost in the advance of technology. I am grateful that Congress found a way to preserve the ability of law enforcement to conduct court-authorized wiretaps while ensuring that privacy is enhanced and technology not impeded.

Finally, I also appreciate your support on Appropriations. The FBI was facing a dire fiscal situation going into FY '95. The action of the Subcommittee to restore us to previous levels will greatly enhance our ability to get the job done.

Sincerely yours,

15/ 62A-HQ-1077732-164
Louis J. Freeh
Director

1 - Mr. R. Bucknam (7176)
1 - [redacted] (7427)
1 - [redacted] (7176)
1 - [redacted] (7176)
1 - Mr. Collingwood (7240)
1 - Congressional Affairs Office (7270)
62A-HQ-1077732

MAILED 21
OCT 26 1994
FBI
Dep. Dir. _____
Chief of Staff _____
Off. of Gen. Counsel _____
Asst. Dir.: _____
Crim. Inv. _____
CJIS _____
Finance _____
Info. Res. _____
Insp. _____
Lab. _____
National Sec. _____
Personnel _____
Training _____
Off. of EEOA _____
Off. of Public & Cong. Affs. _____
Director's Office _____

BHM:majh

majh

APPROVED:

Director

Deputy Director

Crim. Inv.

Crim. Jus. Info.

Servs.

Finance

Info. Res.

Inspection

Laboratory

Legal Counsel

National Sec.

Personnel

Training

Off. of EEO

Affairs

Off. of Public

& Cong. Affs.

b6
b7C

FBI/DOJ

FBI - Stevens-3096

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: August 31, 1955

FROM : JAH. SAC, ANCHORAGE (80-33)

Attention: Training & Inspection DivisionSUBJECT: UNITED STATES ATTORNEYS -
SUGGESTIONS

Re SAC Letter No. 55-51 (B).

Enclosed herewith are blank memoranda regarding contacts with United States Attorneys for the four judicial divisions, District of Alaska.

USA THEODORE E. MUNSON, First Division; USA THEODORE R. STEVENS, Fourth Division; and USA WILLIAM T. PLUMMER, Third Division, were contacted by me personally. USA RUSSELL HERMANN, Second Division, Nome, Alaska, was contacted by SA [] on the occasion of a regular roadtrip in view of the great distance from headquarters city.

b6
b7cJAH:11
(4)

Enclosures (20)

ENCL.

EX-107

4 encl. detached 3/6
& retained by Training
Inspection Div. 9/9/55
Associated

INDEXED - 35

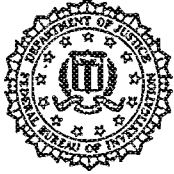
RECORDED - 35

EX-107

FBI - Stevens-3097

EXP. PROC.

62-66357-26
102550-13
UNRECORDED COPY FILED IN 62-53471-1



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

*In Reply, Please Refer to
File No.*

August 31, 1955

United States Attorney Theodore E. Munson
First Judicial Division
District of Alaska
Juneau, Alaska

United States Attorney Theodore E. Munson was contacted on August 26, 1955, and stated that he had no worthwhile suggestions, pertinent criticism or unsolved problems concerning his association with the Bureau. He took the occasion to commend the Bureau, and particularly the Resident Agents at Juneau, for the excellent work being done.

62-66357-26
FBI - Stevens-3098
ENCLOSURE

29A-AN-6439

29A-1067

29A-1068

29A-1069

29A-1070

29A-1095

SWH

(12)

SWH

- 1*-

b2
b6
b7C
b7D

[redacted] provided the following to SA [redacted]

The public accounting of Peat Marwick (PM) conducted the external audits for First Interstate Bank, Alaska National Bank of the North, Security National Bank, Peninsula Savings and Loan, Alaska Mutual Bank, and United Bank of Alaska. All of these financial institutions failed during the mid-1980's.

PM was clearly negligent in conducting the audits of the above. PM had a reputation of conducting audits to suit the desires of the financial institution's directors who were abusing their positions. These audits resulted in financial statements that misrepresented the actual financial status of the institutions and covered the ongoing abuse and fraud.

A number of years ago, PM purchased a local public accounting firm. Some of the purchased firm's [redacted] such as [redacted] and [redacted] joined PM while others, including (FNU) [redacted] left and [redacted] Alaska Mutual Bank (AMB). AMB became a hot bed of fraud and abuse. PM was particularly negligent in AMB due to the close association between the PM partners and the AMB directors.

PM has close ties to long-time, career politicians such as U.S. Senators Frank Murkowski and Ted Stevens, U.S Representative Don Young, and numerous state and local politicians. Murkowski was the president of Alaska National Bank of the North when it failed.

FBI - Stevens-3099

60-AN-6460-31p2
9-324
29-1090-41p4
62-0-5970
194-33-D-36p5

60-AN-6460-31p2
60-36-65B

80-195
194-33-C-326p2
245-51-2p5
89-90
29A-AN-6439-67

9-313
21-343-12
40-136141
190-76
9-309
89-83

SEARCHED
SERIALIZED
INDEXED
FILED
APR 1 1989
FBI - ST. LOUIS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/13/91

[redacted]
[redacted] MARKAIR, INCORPORATED, 4100 West International
Airport Road, Anchorage, Alaska telephone number [redacted] home
address [redacted] Anchorage, Alaska, telephone
number [redacted] date of birth [redacted] in the presence of
Attorney [redacted] furnished the following information:

b6
b7C

[redacted] represents [redacted] as a MARKAIR employee and is
with the law firm [redacted]
Northwest, Washington, D.C. telephone number [redacted]

In 1987, [redacted] was [redacted]
and he was the [redacted]
In 1987, [redacted] She
supervised the [redacted] had contact with AMERICAN
AIRLINES as far as their computers went, and she was also in
charge of the [redacted]. As the [redacted]
[redacted] she was also in charge of the [redacted]
program and was in charge of [redacted]

In October of 1987, [redacted] came into her office
and [redacted] was also present. [redacted] shut the door
and then asked [redacted] to make a political
contribution to [redacted] campaign. [redacted] could not recall
if [redacted] requested a specific amount and she could not recall
his exact words, but recalled that he indicated they could be
reimbursed by putting it on an expense report. [redacted] could not
recall if [redacted] told them to put it on an expense report as
any particular item, but only that it could be put on an expense
report for reimbursement. [redacted] made a \$100 political
contribution to [redacted] campaign. [redacted] felt pressured to make
the contribution and felt that it was the best thing to do, as
she was for [redacted] anyway. Prior to being asked by [redacted] to
make this contribution to [redacted] campaign, [redacted] had not
thought about making any contribution to [redacted] campaign.
[redacted] was reimbursed by MARKAIR for this \$100 political
contribution and it was claimed on an expense report or voucher,
but she does not know exactly how or what she claimed in order to
be reimbursed for this contribution.

b6
b7C

Investigation on 10/15/91 at Anchorage, Alaska File # 56C-AN-7237

FBI - Stevens-3100

by SA [redacted] /lbm Date dictated 10/17/91

b6
b7C

56C-AN-7237

Continuation of FD-302 of [REDACTED], On 10/15/91, Page 2*

This was the only time [REDACTED] made a political contribution where she was reimbursed by the company. [REDACTED] has made other political contributions to Senator FRANK MURKOWSKI, Senator TED STEVENS, and to [REDACTED] but none of these were reimbursed by MARKAIR. [REDACTED] could not specifically recall the amounts of these political contributions or the exact year they were made, but she knows that she did make contributions to MURKOWSKI, STEVENS, and [REDACTED]

The [REDACTED] political contribution was the only one that [REDACTED] was reimbursed for.

b6
b7C

[REDACTED] did talk to [REDACTED] about the fact that they did not think the contribution was legal and that they did not like the idea of making the contribution and she suspected that the reimbursement might be illegal, but she was not sure. The idea of her and [REDACTED] being reimbursed by MARKAIR came directly from [REDACTED] and no other MARKAIR [REDACTED] was involved.

[REDACTED] does not know if [REDACTED] made any political contributions that were reimbursed by the company and to the best of her knowledge, this was not a common practice at MARKAIR to be reimbursed for political contributions. [REDACTED] did not indicate to [REDACTED] or [REDACTED] that this contribution and then the subsequent reimbursement was illegal or out of the ordinary.

b6
b7C

[REDACTED] check for the political contribution to the [REDACTED] campaign was check number 677, in the amount of \$100, payable to [REDACTED] drawn on the FIRST NATIONAL BANK of Anchorage, and it was on the account of [REDACTED]. The expense report where [REDACTED] was reimbursed for this political contribution would have been in the October 1987 time period, but it was probably done over a series of expense reports. The expense reports or vouchers are filed when [REDACTED] is traveling or business related expenses are claimed.

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/13/91

[redacted] MARKAIR,
INCORPORATED, 4100 West International Airport Road, Anchorage,
Alaska, telephone number [redacted] home address [redacted]
[redacted] Anchorage, Alaska, home telephone number [redacted] date
of birth [redacted] Social Security Account Number
[redacted], in the presence of Attorney [redacted]
furnished the following information:

[redacted] represents [redacted] as a MARKAIR employee and
works for the law firm [redacted], [redacted]
Northwest, Washington, D.C., telephone number [redacted]

b6
b7C

In 1987, [redacted] was [redacted] and
he was the [redacted] In
1987, [redacted] was a [redacted] and
correctly filed these with the Airline Tariff Publishers (ATP)..
She also handles [redacted]
on volume. She coordinates very closely with [redacted]
on all [redacted] She also coordinates [redacted] with ALASKA AIRLINES.

In October of 1987, [redacted] was in [redacted]
office and [redacted] was in the office and requested that they
make a political contribution to [redacted] campaign. [redacted]
made a statement about being reimbursed by the company for this
political contribution. [redacted] did make a contribution of
\$100 to [redacted] campaign and wrote a check in the amount of \$100
for this political contribution. [redacted] was then reimbursed
by MARKAIR for the \$100 as she put it on an expense report that
she filed with MARKAIR. She knows the reimbursement was probably
put down as miscellaneous and she could not identify exactly
which expense report it was on, but she knows that she was
reimbursed for this \$100 otherwise she would not have made the
contribution. [redacted] felt she was part of a team and felt
since [redacted] was asking or requesting that she make a
contribution, that she would go ahead and make the contribution.
She may have also had some discussion with [redacted] about the
contribution, but could not recall specifics.

b6
b7C

Investigation on 10/15/91 at Anchorage, Alaska File # 56C-AN-7237

by SA [redacted] lbm FBI - Stevens-3102
Date dictated 10/17/91

56C-AN-7237

Continuation of FD-302 of [REDACTED], On 10/15/91, Page 2

At the time she made the political contribution to the [REDACTED] campaign and was reimbursed by MARKAIR, she did not realize that being reimbursed by the company for a political contribution was illegal. When a similar problem came out in the newspaper involving VECO making illegal contributions, at that time, she thought maybe something was wrong with the contribution she had made to the [REDACTED] campaign. [REDACTED] would not have made the contribution if she had not been asked by [REDACTED] to make a contribution to the [REDACTED] campaign. She felt at the time that the political contribution request came from somebody else in the company, but she does not recall any names mentioned by [REDACTED]

b6
b7C

[REDACTED] has made other political contributions to other candidates, but she was not reimbursed by MARKAIR. She made a contribution to [REDACTED] campaign, but she never made any to Senator TED STEVENS, Senator FRANK MURKOWSKI, or Representative DON YOUNG's campaign.

[REDACTED] was never asked by any other executive of MARKAIR to make political contributions where she was reimbursed by the company. The [REDACTED] political contribution in the amount of \$100 was an isolated incident where she did make the contribution and then was reimbursed by the company. [REDACTED] felt that she was kind of expected to make the contribution.

[REDACTED] check number for this contribution was number 4925, dated October 21, 1987, in the amount of \$100, and was drawn on the NATIONAL BANK of Alaska (NBA), account number [REDACTED]. The account was in the name of [REDACTED] or [REDACTED]

[REDACTED] does not know if [REDACTED] made any political contributions or whether he was reimbursed by MARKAIR for any of these political contributions. [REDACTED] and [REDACTED] are the only MARKAIR employees that [REDACTED] knew that made political contributions that were reimbursed by the company. [REDACTED] was not aware that this was a company wide policy about making political contributions and then being reimbursed by the company. [REDACTED] may have discussed the possibility that this contribution might have been illegal after an article came out in the newspaper about VECO where some illegal campaign

b6
b7C

56C-AN-7237

Continuation of FD-302 of [REDACTED], On 10/15/91, Page 3*

contributions had been made. [REDACTED] does not recall discussing any of this with [REDACTED] about it being illegal and does not recall [REDACTED] after the fact coming to her and advising her that the contribution she had made to [REDACTED] and the subsequent reimbursement was illegal.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/13/89

[redacted] Fairbanks, Alaska, telephone [redacted], furnished the following information:

During the recent weeks, he has been involved in a number of conversations which have caused him to have some concern about the personal implications of [redacted] in the federal antitrust investigation against MarkAir. Specifically, [redacted] noted that media reports have confirmed the existence of the antitrust investigation against MarkAir and have [redacted] other individuals as being witnesses subpoenaed before a Federal Grand Jury to provide [redacted]

b3
b6
b7C

Within the past two weeks or so, he had one conversation with a [redacted] by the name of [redacted]. He noted that [redacted] in some way with the Wien Air Employees Union when [redacted] Wien Airlines. As a result of [redacted] MarkAir) and his acquaintance with [redacted] had clearly followed the media reports about the MarkAir investigation and indicated during his discussion with [redacted] that the matter was getting pretty ugly. [redacted] had the impression that [redacted] was arriving at this conclusion through an analysis of the various media reports concerning the investigation.

b6
b7C

[redacted] further noted that other mutual acquaintances have expressed the same general feelings during the past few weeks, and he is convinced that these persons are simply following the media reports and are concerned about the implications of anyone getting into a public conflict with [redacted]. [redacted] explained that most of the persons who have expressed some concern are familiar with [redacted] reputation and business history. In that regard, [redacted] is known as a powerful and aggressive individual.

b6
b7C

Investigation on 6/12/89 at Fairbanks, Alaska File # 60A-AN-6460-31
AN-60A-63 *dm*
by SA [redacted] *dm* (krs) Date dictated 6/12/89

60A-63

Continuation of FD-302 of _____, On 6/12/89, Page 2

In addition, _____ advised that on _____ he was visited at _____ Fairbanks, Alaska, by acquaintance _____. He explained that _____ of a company known as Interior Airways, which later became known as Alaska International Air. _____ many years ago. _____ further explained that the _____ visit was noteworthy, since _____ had never before visited _____. The visit appeared to be a courtesy call on the part of _____ after a brief period of small talk, _____ asked _____ about the status of the MarkAir matter. In response, _____ mentioned to _____ that the Federal Grand Jury was looking into _____. _____ then stated that he wanted _____ to know that he did not have any involvement in any unfair business practices and that he did not agree with MarkAir's practices. _____ also indicated that _____ should be aware that the MarkAir case carried a lot of political pressure, and he suggested that powerful politicians had a lot of money at stake in relation to _____. _____ further claimed that both Alaska U.S. Senators, Stevens and Murkowski (and perhaps U.S. Representative Don Young) had received political contributions from _____ which exceeded the allowable limits. Specifically, _____ claimed to have been present when such contributions were provided to the U.S. Senators from _____ through his attorney, _____ of _____ Alaska. However, _____ emphasized to _____ that he would deny witnessing this transaction if he were ever asked by authorities. _____ further advised that he tends to believe _____ since he has personal knowledge that both U.S. Senators have repeatedly been guests of _____ on various occasions.

b3
b6
b7C

_____ believes that _____ was not relaying any message from _____ or anyone else, but was simply expressing a genuine concern for _____ and wanted to be sure that _____ was aware that he _____ was "playing with big boys." _____ recalls that he specifically asked _____ if he _____ believed that he _____ had any reason to fear for his personal safety, and _____ expressed the opinion that _____ would not do anything to harm _____ but would be a powerful foe politically and financially.

b6
b7C

_____ further noted that some time after he was interviewed by the Federal Bureau of Investigation (FBI) on March 6, 1989, and before the information about the Federal Grand Jury inquiry became publicized, he had a general conversation with Senator Frank Murkowski about the predatory practices being

FBI - Stevens-3106

60A-63

Continuation of FD-302 of _____, On 6/12/89, Page 3 *

utilized by MarkAir, and about the ongoing Justice Department inquiry into these practices. At that time, Murkowski told him that if he had a problem with MarkAir, he should talk to _____ about working out those problems. _____ remembers that Murkowski was fairly emphatic that problems with _____ could best be resolved through _____. _____ further explained that his conversation with Murkowski was not centered on the MarkAir matter, but was a general discussion of several issues. He noted that he, _____ and _____ are considered _____ to Senator Murkowski for the Fairbanks area.

b6
b7C

In addition, _____ noted that _____ recently had a casual conversation with _____ at a Fairbanks area softball game, during which the MarkAir antitrust investigation was mentioned. _____ of some kind in _____ office. During that conversation, _____ mentioned that MarkAir had ready answers for anything the Justice Department had an interest in, "except for what _____ saying." _____ advised that this comment makes him believe that _____ considers him to be a more important part of the ongoing antitrust investigation than he _____.

b6
b7C

_____ further advised that he recently had a conversation with _____ in Juneau, Alaska (which conversation was initiated by _____), and _____ stated that he did not like the circumstances which have led to the antitrust investigation, but that _____ was _____ and he could not do anything about his concerns. In that regard, _____ advised that he has been informed that _____ a gag rule on MarkAir employees forbidding them to talk with _____ or anyone else concerning the ongoing antitrust allegations. _____ has noted that _____ has exhibited general caution in his competitive practices since publication of the grand jury inquiry.

b6
b7C

_____ summarized by stating that he mentioned his general concerns to U.S. Justice Department's _____ during a recent conversation, but did not mean to imply that he was seriously concerned about his personal safety. He advised that if he ever developed any reason to have a genuine concern for his safety, he would immediately contact the FBI and report the basis for that concern.

FBI - Stevens-3107

Memorandum



To : SAC, PORTLAND () (P)

Date 5/20//88

From : SA ()

b2
b6
b7C
b7D

Subject : ()

Dates of Contact
5/13/88File #s on which contacted (Use Titles if File #s not available)
245C-126, Sub 45

Purpose and results of contact

- ☐ NEGATIVE
☒ POSITIVE
☐ STATISTIC

Description of
Statistical Accomplishment

Title of Case

File No.

INFORMATION HEREIN OBTAINED
 CONFIDENTIALLY INFORMANT'S NAME IS
 NOT TO BE DISCLOSED IN A REPORT
 OR OTHERWISE UNLESS IT HAS BEEN
 DECIDED DEFINITELY THAT THIS
 PERSON IS, TO BE A WITNESS IN A
 TRIAL OR HEARING.

EACH
PAGE

① SAC

PERSONAL DATA

FBI - Stevens-3108

245C-57-2

SEARCHED	INDEXED
SERIALIZED	FILED

see reverse side for statistics

JUN 6 1988

b6
b7C

FBI - ANCHORAGE

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 5/20/88

[redacted] was interviewed at the Portland Division office of the Federal Bureau of Investigation (FBI) regarding his/her involvement in cocaine distribution in the State of Alaska from [redacted]. Also present during the interview were Sergeant [redacted], Clark County, Washington, Sheriff's Office, and Detective [redacted] Clark County, Washington, Sheriff's Office.

While in Alaska, and before his/her addiction to cocaine, [redacted] was involved as a [redacted] [redacted] had several businesses and [redacted]. [redacted] also had a [redacted] and was involved in some [redacted] in Alaska. In approximately [redacted] met an individual by the name of [redacted] at a [redacted] in Las Vegas, Nevada. [redacted] has not been in contact with [redacted] for a number of years, but believes that he still lives in [redacted].

b2
b6
b7C
b7D

In [redacted] was experiencing cash flow difficulties in his/her business efforts. It was during this time that [redacted] approached him/her and asked if he/she would like to make some extra money. [redacted] stated that he/she had always kind of known that [redacted] was involved in cocaine distribution, but did not know the extent. [redacted] had experimented with cocaine several years before, but had not been using it up until that time. [redacted] agreed to sell cocaine to a couple of people he/she knew to be using it. [redacted] started sending him/her cocaine through [redacted] to Alaska.

b2
b6
b7C
b7D

[redacted] started selling ounces and worked up to the point that he/she was receiving [redacted] with anywhere from [redacted] ounces of cocaine hidden in [redacted] used the [redacted] because he, at that time, was involved in the marketing of the [redacted] was paying [redacted] \$2,200.00 per ounce and selling it

Investigation on 5/13/88 at Portland, Oregon File # PD 245C-126, Sub 45

by SA [redacted] JRP/ema Date dictated 5/15/88

PD 245C-126, Sub 45

Continuation of FD-302 of SOURCE, On 5/13/88, Page - 2 -

for \$2,800.00 per ounce. [] was making approximately \$500.00 per ounce and in excess of \$2,000.00 per day. []

[] bank account at a bank, the name of which he/she does not recall, in [].

[] was selling to an individual by the name of [] a resident of Anchorage, Alaska. [] had fronted [] approximately [] worth of cocaine, which [] did not pay for. [] was unable to keep up with the payments he/she owed [] for the cocaine and [] cut him/her off. During the time [] had been distributing cocaine, he/she had met bigger and better contacts and although [] had quit sending cocaine to him/her, he/she began acquiring it from other individuals in Anchorage.

b2
b6
b7C
b7D

[] became addicted to cocaine after he/she was introduced to free-basing by an individual who was employed by [] in Anchorage, Alaska, by the name of [] does not recall [] first name, but remembers that he was involved in trafficking to the [] area in Alaska. [] was spending [] at the [] and [] off in Anchorage. [] was selling [] two ounces of cocaine at a time, which he would take to the [] to sell.

[] stated that he/she sold cocaine to an individual by the name [] who is now in jail in Alaska. [] got connected with someone in [] and [] started getting cocaine from [] on occasion. [] was arrested in [] by the FBI and brought back to Alaska. [] had left Alaska after [] had found out that he was going to be arrested and tipped him off. During [] prosecution, [] saw a prosecutive report which identified him/her and precipitated her leaving Anchorage.

[] was also getting cocaine from an individual by the name of [] date of birth [] who was a [] in Anchorage, Alaska. After [] had returned to [] from Anchorage, Alaska,

[] in []
[] in [] at which time they talked about him/her purchasing [] kilograms of cocaine. DEA, Alaska, arrested []

b2
b6
b7C
b7D

FBI - Stevens-3110

(3)

PD 245C-126, Sub 45

Continuation of FD-302 of SOURCE, On 5/13/88, Page 3

[redacted] also purchased cocaine from an individual by the name of [redacted]. Both [redacted] and [redacted] were part of a distribution network controlled by [redacted]. [redacted] stated that [redacted] talked about a "council" which consisted of several [redacted] who pooled money for investment in drug distribution. The only name [redacted] can remember being mentioned is that of [redacted] who was a [redacted] in Alaska. [redacted] remembers [redacted] name because of his/her involvement in [redacted]. [redacted] stated that there were other names mentioned, but that he/she can not remember them. The information regarding [redacted] imminent arrest came from [redacted] who allegedly acquired it through "his people."

SEE Attached

b2
b6
b7C
b7D

[redacted] there were [redacted] tied to the "council." [redacted] was tied to the "council." [redacted] stated that while he/she was selling cocaine, he/she sold to a [redacted] whose name he/she does not recall, who confirmed [redacted] information regarding [redacted] imminent arrest.

The largest cocaine deal that [redacted] did was the sale of [redacted] kilograms of cocaine. He/She acquired the [redacted] kilograms from [redacted] on a front. [redacted] of the kilograms went to [redacted] who is the [redacted] and [redacted] kilograms went to [redacted]. [redacted] stated that he/she regularly sold kilograms of cocaine.

[redacted] stated that the most cocaine he/she saw at one time was approximately [redacted] kilograms. [redacted] saw the approximately [redacted] kilograms on the night he/she picked up the [redacted] in Anchorage. [redacted]

b2
b6
b7C
b7D

[redacted] put his/her head down while they were en route to the residence so he/she would not recall where it was. [redacted] stated that he/she assumed that it had something to do with [redacted]. They travelled to the residence at night and when they arrived, [redacted] met with someone while he/she waited. When they went to get the [redacted] kilograms, [redacted] was summoned in to assist and recalls [redacted]

[redacted] stated that he/she knows the general vicinity of the residence and [redacted]

FBI - Stevens-3111

(4)

PD 245C-126, Sub 45

Continuation of FD-302 of SOURCE, On 5/13/88, Page - 4 -

While in Alaska, [redacted] lived with two individuals by the name of [redacted] and [redacted] who have since gotten married. [redacted] and [redacted] were selling small quantities of cocaine, which they acquired from [redacted]

[redacted] stated that they were able to make a lot of money on what [redacted] and [redacted] sold because they were able to "stomp it" so much. [redacted] was a [redacted] at the [redacted] in Anchorage. [redacted]

[redacted] selling to United States Senator TED STEVENS when he would come to Anchorage. [redacted]

[redacted] STEVENS would always ask for [redacted]

when he came to the [redacted] [redacted] stated that in 1985 [redacted] sold cocaine on three occasions to Senator STEVENS. [redacted] stated that the [redacted] to STEVENS, [redacted]

[redacted] for the purpose of selling to STEVENS. [redacted] him/her to STEVENS, but when he/she came in he pointed him out and he/she walked over to his table and sat down. STEVENS was sitting at a table by himself, but [redacted]

[redacted] stated that he/she told STEVENS that he/she had what he wanted, but does not recall any specific talk about price or amounts because it was understood. [redacted]

with STEVENS. He handed him/her \$350.00 under the table and he/she gave him back one-eighth ounce of cocaine.

[redacted] encounter with STEVENS was at the [redacted] Again, [redacted] called and asked if he/she would meet STEVENS. He/She drove his/her car over to the parking lot of the [redacted] and STEVENS got into his/her car. He/She gave STEVENS an "eight ball" (one-eighth ounce of cocaine) and he gave him/her \$350.00.

[redacted] encounter with STEVENS was in the parking lot at the [redacted] [redacted] drove down to the restaurant parking lot. STEVENS got into his/her car and he/she drove to the back part of the lot. [redacted] stated that he/she does not recall whether STEVENS bought one-eighth ounce or one-quarter ounce at this time. [redacted] stated that he/she received \$350.00 or \$700.00 from STEVENS, because those were the prices for which he/she was selling those amounts. [redacted] stated that the three sales of cocaine to STEVENS took place between [redacted] and [redacted] [redacted] stated that he/she is sure of the time frame because it was [redacted]

b2
b6
b7C
b7D

b2
b6
b7C
b7D

PD 245C-126, Sub 45

Continuation of FD-302 of SOURCE, On 5/13/88, Page - 5 -

On [redacted] left Anchorage during the night, leaving all of his/her possessions. [redacted] stated that he/she did so to break away from his/her involvement with cocaine.

After [redacted] returned to [redacted] he/she ran into [redacted] an individual he/she had known prior to leaving [redacted], years before. [redacted] stated that coincidentally [redacted] had been in Alaska during the time that he/she had been there and had worked for [redacted]. Since returning to [redacted] [redacted] has become involved in [redacted] and has been active in [redacted] however, [redacted] has not told [redacted] of his/her [redacted]

b2
b6
b7C
b7D

In [redacted] [redacted] called [redacted] and asked if he/she knew anyone who could take [redacted] kilograms of cocaine that he had sitting in [redacted] at the [redacted]. [redacted] contacted the Clark County Sheriff's Office regarding the information he/she had obtained from [redacted]. At the direction of Sergeant [redacted] [redacted] contacted [redacted] to inform him that he/she did in fact have a buyer for the cocaine. [redacted] informed him/her that he had sold the cocaine, but that he could arrange for him/her to meet someone who could handle a [redacted] kilogram sale.

A meeting was arranged and [redacted] introduced [redacted] to an individual by the name of [redacted]. In turn, [redacted] introduced [redacted] to Sergeant [redacted] who was acting in an undercover capacity. After [redacted] had introduced [redacted] to [redacted] [redacted] took [redacted] home to [redacted] residence on [redacted] in [redacted]. [redacted] told [redacted] that he did not keep anything other than [redacted]. While at [redacted] residence, [redacted] saw one ounce of cocaine [redacted] in [redacted] basement. [redacted] took out a darren (grinder) and prepared cocaine for personal use. While at [redacted] residence, [redacted] excused himself several times to "take care of business" as unknown individuals came to his residence. [redacted] stated that he/she has established a rapport with [redacted]

b2
b6
b7C
b7D

[redacted] stated that [redacted] in [redacted] is associated with [redacted] and some unknown Mexicans.

FBI - Stevens-3113

-1-

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/22/2004

An individual, who is in a position to testify, provided the following information:

[redacted] Natchiq, Inc., a subsidiary of the Arctic Slope Regional Corporation (ASRC) [redacted]

[redacted] In April 2003, Natchiq, Inc. changed its name to ASRC Energy Services and is located at 3900 C Street #701, Anchorage, Alaska, the ASRC building. [redacted] date of birth [redacted]

[redacted] Social Security Account Number [redacted] is listed in [redacted]

[redacted] A review of information previously provided by Source showed that in 2000, [redacted] was compensated [redacted] by ASRC [redacted] for his position [redacted] of Natchiq. [redacted]

[redacted] at Conoco-Phillips, informed Source that the [redacted] her that [redacted] had embezzled up to [redacted] by [redacted]

[redacted] credited to him. [redacted] had considered approaching the FBI regarding this matter but decided against it.

Source reported that [redacted] Construction, now Harpoon Construction, a subsidiary of the Ukpeagvik Inupiat Corporation, the Barrow Village Corporation. [redacted] Source heard that [redacted] in relation to UIC's purchase of the Emerald Building on Dimond Boulevard in Anchorage. [redacted]

Source recently saw three taxi cabs painted in the same design as Alaska Cab, but having a different telephone number on them and no fare cards. Source indicated the phone number on the cabs was 929-9999 and Source knew the phone number for Alaska Cab is 563-5353. Source indicated the numbers on the cabs were 26, 67 and 124. Cab number 67 had Alaska License Plate EMF 263. A review of the Alaska Public Safety Information Network shows this license plate registered to L & J Cabs, Inc., 1825 Ship Avenue, Anchorage, [redacted]

Investigation on 01/22/2004 at Anchorage, Alaska

File # [redacted] AN 196-0; AN 58-0

Date dictated N/A

by SA [redacted]

FBI - Stevens-3114

b2
b7DContinuation of FD-302 of Source, On 06/30/2003, Page 2

[redacted]

Alaska. A review of the State of Alaska Division of Occupational Licensing web page produced no results for a company in the name of L & J Cabs.

Source indicated that a week or two [redacted] several vehicles pulled up at [redacted] Anchorage, Alaska and several males approached the residence with guns drawn. Source subsequently saw a white male with short blond hair return to a [redacted] SUV and retrieve two bullet proof vests. Shortly thereafter two of the males removed their jackets and Source clearly saw FBI insignia on the vests. Source did not believe the individuals were FBI in that they appeared disorganized, but indicated if the individuals were in fact FBI, source is in a position to provide intelligence related to [redacted]. Source believed the individual who had resided at that address was a drug dealer and recently moved out. Source described the individual as a white male in [redacted]. Source believed the male's name was [redacted] based on information Source found on the collar of the individual's dog. b6 b7C b7D

Source believed drug dealing and prostitution activity is continuing at [redacted]. Source indicated that there is frequent traffic in and out of [redacted] and if there is no answer at [redacted] the individuals often proceed to [redacted]. Source witnessed a woman being assaulted in front of that residence two weekends ago. The woman was a white female with long blonde hair, wearing a tank top type shirt under her coat. The woman was being assaulted by two black males and a black female. At one point the female attempted to gain access to unit [redacted] but the individuals in there pushed her back out and one of the black males dragged her by her hair to a car. Source contacted APD who did not arrive for approximately one hour, by which time all the parties were gone.

Source recently provided information to writer that [redacted] a local developer with ties to Sen. Ted Stevens, received large Department of Defense contracts in the North Slope Borough (NSB) area. Source recently recalled that the law firm representing the NSB in relation to those contracts was [redacted]. Source knew [redacted] is related to Sen. Stevens and believed he was Sen. Stevens' [redacted]. b6 b7C b7D

Source indicated an ongoing dissatisfaction with the Anchorage Police Department and the Bureau of Alcohol, Tobacco and Firearms relative to their handling of an incident last year in which [redacted] after Source had

FBI - Stevens-3115

Continuation of FD-302 of Source , On 06/30/2003 , Page 3

[redacted]

confronted local drug dealers and had provided this information to the FBI. Source attempted numerous times to contacts SA [redacted] [redacted] BATF and Ofc. [redacted] APD to provide additional information regarding the case, but never received a call back from either and APD has continually refused to assist Source with obtaining information regarding the case.

FBI - Stevens-3116

02/01/01

On January 31, 2001, [redacted] of SENATOR TED STEVENS of Alaska, and a [redacted] California, was interviewed regarding a suspicious package she had received. After being advised of the identities of the interviewing agents, [redacted] advised as follows:

b6
b7C

On January 31, 2001, [redacted] went to the [redacted] post office to retrieve her mail, [redacted]. Among her mail was a notification from the Post Office indicating she had received a package. According to [redacted], she had not been expecting any packages. [redacted] described the package as a large box weighing about twenty pounds, with a return address of Warner Brothers Records from the Los Angeles area. [redacted] called a friend to come pick her up at the Post Office to transport the package back to [redacted] as it was too heavy for her to carry. [redacted] called [redacted] regarding whether they had sent her a package, and determined that they had not. After speaking with her parents she then called the [redacted] Police Department to report a suspicious package, and the police responded immediately.

[redacted] further advised that [redacted] called a Secret Service agent, [redacted] during a recent convention.

b6
b7C

[redacted] stated that lately she has been [redacted].
[redacted]
[redacted]
In addition, several years ago, [redacted] home in [redacted].
Based on these events, [redacted].

[redacted] advised that [redacted] had a contact at Warner Brothers, and speculated that someone had sent her some promotional items. She also advised that she also had some

1/31/01 [redacted] California

89F-0
SA [redacted]
SSRA [redacted]

February 1, 2001
FBI - Stevens-3117

1/31/01

2

[redacted]
[redacted] friends in the Los Angeles area, but had no idea who would send her anything [redacted]

b6
b7C

[redacted] was recontacted by interviewing agents after the FBI San Francisco Bomb Technicians x-rayed the package at a safe location near the [redacted] Police Department and determined the contents to be [redacted]

[redacted]. Interviewing agents requested that [redacted] not play the disc or give it to anyone until the FBI could make sure the disc did not contain any viruses or content inconsistent with the labeling. Interviewing agents took possession of one copy of the disc for review.

Upon receiving the disc from [redacted] [redacted] told the interviewing agents that she does have a friend (not further identified) [redacted]

[redacted] surmised that this friend had probably sent her these [redacted]

[redacted] expressed certainty that these discs were exactly what they appeared to be.

Further review by San Francisco agents determined the CD to be legitimate.

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/20/2005

To: Anchorage

From: Anchorage

Squad 3

Contact: DUSM [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] GDB

b2
b6
b7C

(U) Case ID #: ~~(S)~~ 315B-AN-13112 (Pending)

(U) Title: (S) [REDACTED]
IT -SUNNI-EXTREMISTS,
OTHER THAN AL-QAEDA-TALIBAN

(U) Synopsis: (S) To provide information to acting SSA [REDACTED]
for whatever investigation he deems appropriate.

(U) ~~(S)~~ Derived From: G-3
Declassify On: X1

(U) Details: ~~(S)~~ FBI Anchorage presently carries [REDACTED]
[REDACTED] upon a Subject [REDACTED] is a known associate
of. [REDACTED] has represented himself as a supporter of said
individual who is suspected of anti-American views and possible
TALIBAN follower and supporter/member.

b2
b6
b7C
b7D
b7E

(U) ~~(S)~~ Information received from a source, (of unknown
reliability) indicates the following: [REDACTED]
for United States Senator TED STEVENS at Senator STEVENS
residence in Girdwood, Alaska. Allegedly [REDACTED] has further
stated [REDACTED] at Senator STEVENS residence, in the
presence of Senator STEVENS, the Senator's family and further
that he has used hashish and marijuana at [REDACTED] A source
alleges to know of video tapes of [REDACTED] in which [REDACTED]
[REDACTED] Senator TED STEVENS, and [REDACTED]
[REDACTED] are seen taking drugs. Said videos are supposed to be
located at a residence at [REDACTED] Anchorage, Alaska.

~~SECRET~~

FBI - Stevens-3165

~~SECRET~~

To: Anchorage From: Anchorage
(U) Re: ~~(S)~~ 315B-AN-13112, 01/20/2005

(U) ~~(S)~~ [redacted] is known to have at least three
AKA'S, 1. [redacted] SSN# [redacted]
[redacted] 2. [redacted] and 3. [redacted]

(U) ~~(S)~~ [redacted] claims to be a member of an organization b6
known as Search & Rescue International, The Alaska Rangers, b7C
Alaska Airborne Rangers. Search & Rescue International is the
parent company and the other groups are under the umbrella of
same. The mission statement of the Alaska Airborne Rangers is
"Domestic Counter Terrorism and humanitarian-aid worldwide".
[redacted] describes his group, Alaska Airborne Rangers as "elite
group of freedom fighters, former military and intelligence
personnel." On a web site for the Alaska Airborne Rangers it is
stated "We defend this Nation against all enemies, foreign and
domestic."

(U) ~~(S)~~ [redacted] has had no visible means of
employment/support within the past 10 years even though he has
claimed to have owned a [redacted] company with [redacted]
[redacted] in the past. [redacted] has also claimed to have worked at
various jobs in the past but has not shown any income that can be
located.

(U) ~~(S)~~ On 03/28/2002, a subject who identified himself as b6
[redacted] contacted the Alaska State Troopers in b7C
Seward, Alaska. [redacted] reported he was a CIA operative and
that he had important information on the next terrorist attack.
[redacted] also said he needed to get this information to the
president by 0800. This report was entered into the Alaska State
Troopers records under case number 020019741. Confirmation of
[redacted] identification was made through his Alaska Public
Safety Information Network number [redacted] date of birth
[redacted]

(U) ~~(S)~~ While [redacted] state of mental
health is not known at this time his actions seem questionable at
best and even somewhat delusional. [redacted] has contacted the
Anchorage Division, Federal Bureau of Investigation (FBI) on at
least two occasions and has left one phone message within the
past year (2003), and has been vague as to what he was trying to b6
say and making references to some unknown federal agency (secret b7C
in nature) that he was working for. [redacted] indicated that he
was placing himself in great danger by being at the FBI.
[redacted] seemed to talk in riddles and cryptic messages when he
was talking to FBI personnel.

~~SECRET~~

~~SECRET~~

(U) To: Anchorage From: Anchorage
Re: (S) 315B-AN-13112, 01/20/2005

(U) ~~(S)~~ Writer of this EC had contact with Alaska State Troopers on or about 03/28/2002, with reference to [REDACTED] conduct as to his need to contact the President of the United States about new terrorist attacks on our country. It was the general consensus of the contacting troopers that [REDACTED] was suffering from some sort of mental episode.

(U) ~~(S)~~ Taking [REDACTED] actions and statements in their totality, [REDACTED] veracity is questionable. Combined with third and fourth hand hearsay ie, from subjects both known and unknown, it is believed further investigation is questionable, but needed to resolve any possible questions in reference to [REDACTED] danger to himself and any possible threat to Senator TED STEVENS or his family.

b6
b7C

♦♦

~~SECRET~~



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D. C. 20535

JUN 4 1996

Honorable Ted Stevens
United States Senator
222 W. 7th Avenue, #2
Anchorage, Alaska 99513

Dear Senator Stevens:

Your letter dated April 15, 1996, concerning the Freedom of Information-Privacy Acts (FOIPA) request of your constituent, Mr. Vince Shinohara, who is trying to locate an individual who may have worked in the U. S. Embassy in Japan as a General Counsel for the FBI has been referred to me for response.

I have enclosed for your constituent a copy of a form letter we use to explain our policy on processing third party material in our files. Accordingly Mr. Shinohara will have to provide us with additional information before we conduct a search of the indices of our central records system files for material responsive to his request. Unfortunately, without the name of the individual, it will be impossible for the FBI to locate any records, should they in fact, exist.

If I can be of any further assistance to you in this FOIPA matter, please do not hesitate to contact me.

Sincerely yours,

J. Kevin O'Brien, Chief
Freedom of Information-Privacy
Acts Section
Information Resources Division

Enclosure

Dep. Dir. _____
Chief of _____
Staff _____
Off. of Gen. _____
Counsel _____
Asst. Dir.: _____
Crim. Inv. _____
CJIS _____
Finance _____
Info. Res. _____
Insp. _____
Lab. _____
National Sec. _____
Personnel _____
Training _____
Off. of EEOA _____
Off. of Public _____
& Cong. Affs. _____
Director's Office _____

1 - OLA, DOJ, Room 1138 - Enclosure *attached*
1 - Office of Public and Congressional Affairs, Room 7240
1 - _____ Room 6359
1 - RMU Folder, Room 6359

VLM:dh (7)
dh mls
IOI
6359
MAIL ROOM

190-0-74491
FBI - Stevens-3168

b6
b7C

FBI/DOJ

MARK O. HATFIELD, OREGON, CHAIR

TED STEVENS, ALASKA
THAD COCHRAN, MISSISSIPPI
ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMENICI, NEW MEXICO
PHIL GRAHAM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
SLADE GORTON, WASHINGTON
MITCH MCCONNELL, KENTUCKY
CONNIE MACK, FLORIDA
CONRAD BURNS, MONTANA
RICHARD C. SHELBY, ALABAMA
JAMES M. JEFFORDS, VERMONT
JUDD GREGG, NEW HAMPSHIRE
ROBERT F. BENNETT, UTAH

ROBERT C. BYRD, WEST VIRGINIA
DANIEL K. Rostenkowski, ILLINOIS
ERNEST F. HODGINS, SOUTH CAROLINA
J. BENNETT JOHNSON, LOUISIANA
PATRICK J. LEAHY, VERMONT
DALE BUMPERS, ARKANSAS
FRANK R. LAUTENBERG, NEW JERSEY
TOM HARKIN, IOWA
BARBARA A. MIKULSKI, MARYLAND
HARRY REID, NEVADA
J. ROBERT KERREY, NEBRASKA
HERB KOHL, WISCONSIN
PATTY MURRAY, WASHINGTON

J. KEITH KENNEDY, STAFF DIRECTOR
JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

April 15, 1996

John E. Collingwood
Office of Congressional Affairs
Federal Bureau of Investigation
U.S. Department of Justice
Ninth and Pennsylvania Avenue, N.W.
Washington, D.C. 20535

Dear Mr. Collingwood:

Enclosed is a copy of a letter I received from my constituent, Vince Shinohara, who is trying to locate an individual who may have worked in the U.S. Embassy in Japan as a General Counsel from the FBI. I am also writing to the State Department on his behalf.

Thank you for any help you can provide. Please send your reply to me at 222 W. 7th Avenue, #2, Anchorage, Alaska 99513.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS

Enclosure

190-0-74491

FBI - Stevens-3169

Arli:
6/4/96
mms

11/2
11-30-96

April 10, 1996

Senator Ted Stevens
222 W 7th Avenue
Anchorage, Alaska 99513

Dear Senator Stevens:

My name is Vincent K. Shinohara, a [redacted]
[redacted] in Japan.

I am wondering if there is any way to find out if there is a federal prosecutor now who may have worked at the US Embassy in Tokyo, Japan, around 1984. I do not have the gentleman's (or the lady's) name. If such a person does actually exist, I would like to contact him to verify statements made by the plaintiff in a civil lawsuit in Japan; the gentleman says that he was acquainted with this person at the embassy.

b6
b7C

A final reply from the US Embassy in Japan is that they can not provide the information I am requesting. They suggested me to write to the Office of the General Counsel, FBI, in DC. (I feel that they will not reply me.) I have not received any reply from the State Department and the Office of the US Attorney at the Department of Justice.

I would appreciate it if you could suggest me any other way to process my inquiry if my inquiry meets with your office regulations.

Thank you for your assistance.

Sincerely,


Vincent K. Shinohara

[redacted]
Anchorage, Alaska 99502

FBI - Stevens-3170

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

ANCHORAGE

INDEXED 1378

REPORT MADE AT ANCHORAGE, ALASKA	DATE WHEN MADE 4/25/55	PERIOD FOR WHICH MADE 4/18, 19, 20, 21/55	REPORT MADE BY JOHN W. WORSHAM vir
TITLE CHANGED VERNON D. FORBES, U. S. District Judge, Fourth Division of Alaska			CHARACTER OF CASE ADMINISTRATIVE INQUIRY

SYNOPSIS OF FACTS:

VERNON D. FORBES

Confidential source at Fairbanks, Alaska, alleged Federal Judge VERNON D. FORBES frequented disreputable places of entertainment, was publicly intoxicated, and associated with disbarred attorney. Some allegations verified, and others refuted through interview of U. S. Attorney THEODORE F. STEVENS, who admitted taking Judge FORBES to night club; through interview of law clerk [redacted] who admitted receiving assistance from [redacted] who is under indictment at Fairbanks; and through interview of Judge FORBES, who admitted drinking in public but denied being intoxicated or other misconduct.

b6
b7C

- C -

DETAILS:

The title of this case is being marked "CHANGED" to reflect the middle initial of U. S. District Judge VERNON D. FORBES.

COPIES DESTROYED

78 FEB 11 1964

*1 cc Deputy AG Rogers
by 4/29/55
7 WD/19*

APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 3-Bureau 2-Anchorage (62-328)		62-102128-2 8 APR 28 1955 FBI - Stevens-3171	RECORDED - 43 INDEXED - 43
		62 MAY 11 1955	

PROPERTY OF FBI - THIS CONFIDENTIAL REPORT AND ITS CONTENTS ARE LOANED TO YOU BY THE FBI AND ARE NOT TO BE DISTRIBUTED OUTSIDE OF AGENCY TO WHICH LOANED.

STAT. SECT.

EXP. PROC.

AN 62-328

AT FAIRBANKS, ALASKA

The following investigation was conducted by Special Agents [redacted] and JOHN W. WORSHAM:

This investigation is predicated upon information received from the Department of Justice, Washington, D. C., by letter dated April 1, 1955, advising that T-1, a prominent businessman in Fairbanks, Alaska, alleged that the conduct of Federal Judge VERNON D. FORBES, Fairbanks, Alaska, outside office hours since he arrived in Fairbanks is hardly in keeping with the dignity of the office of Federal Judge. T-1 alleged Judge FORBES spent a considerable amount of time in questionable night clubs, and has been thoroughly intoxicated in public on several occasions, and at such times his conduct has not been dignified, to put it mildly.

b6
b7c

T-1 also alleged that one [redacted] who he believes at one time was an attorney practicing in New York State and was disbarred, and who has also been in trouble in Fairbanks for practicing law without a license, spends a great deal of time conferring with Judge FORBES, and assisting the law clerk in looking up matters in the office, which is the subject of some comment locally, as it is a rather odd association.

Upon interview on April 18, 1955, T-1 advised that he had received allegations from United States Attorney THEODORE F. STEVENS, Fairbanks, Alaska, that Judge FORBES frequented the Flamingo Club, located approximately two miles from Fairbanks on the Richardson Highway, and had stayed until the early morning hours a number of times drinking, and was under the influence of liquor during this time. T-1 stated also he had heard from [redacted] an attorney, that Judge FORBES was under the influence of liquor at a Bar Association meeting in Fairbanks, Alaska, at one time when he first arrived in Fairbanks and was guest speaker. T-1 stated that he did not attend this meeting nor did he

AN 62-328

observe Judge FORBES at the Flamingo Club.

T-1 stated that United States Attorney THEODORE F. STEVENS also has stated that [] had been seen in the Judge's Law Library almost every day and has been assisting the Judge's Law Clerk in looking up decisions which pertain to matters in the court. T-1 advised that he has heard for some time that [] was disbarred from practicing law in New York State and that [] had been arrested and convicted at Fairbanks, Alaska, for practicing law without a license.

b6
b7c

T-1 also stated that he observed Judge FORBES at a dinner given by the Knife and Fork Club in the Elks Club in January, 1955 (exact date unrecalled), at which time he was under the influence of liquor and made enough commotion in ordering drinks for his table that the speaker made some comment about the disturbance. T-1 stated that Judge FORBES was not drunk at this time. T-1 stated that the guest speaker at this dinner was [] who was traveling through Fairbanks at this time, and the speaker's comment in reference to the disturbance was, as near as he could recall, "These folks have a very bad thirst and maybe we had better hold up until they are served, then we can proceed."

T-1 stated he has not seen or heard anything concerning Judge FORBES during the past four months which was unbecoming a Federal Judge.

Upon interview on April 18, 1955, United States Attorney THEODORE F. STEVENS advised that on December 13, 1954, he asked Judge FORBES to join him for dinner and they met STEVENS' wife at the Northward Building Cocktail Lounge. He stated that they had two drinks at this lounge and proceeded to the Capri Restaurant which is also located in the Northward Building. STEVENS stated that they had a drink at the Capri Restaurant after having dinner, and then went back to the Northward Cocktail Lounge, where they had a drink and met City Judge HUGH GILBERT and his wife. He stated they

all decided to go to the Shangri La Night Club to see a floor show by JACK NELSON. STEVENS stated at this time he called up Deputy United States Marshal [] and requested him to join them as he did not want the judge to go to a night club in South Fairbanks without having someone armed along for protection. He stated after [] arrived at the Northward Cocktail Lounge, his party proceeded to the Shangri La Club and found it closed. STEVENS stated they then proceeded to the Flamingo Night Club approximately two miles from Fairbanks on the Richardson Highway. He stated that they arrived at the Flamingo Club at approximately 11:30 PM and TOMMY ROBERTS' floor show started at midnight. He stated TOMMY ROBERTS was the featured vocalist of this show, in that it was advertised in Fairbanks that he sang at President EISENHOWER's inaugural. STEVENS stated after the show his wife excused herself from the party in that she was pregnant and went home, and those remaining then proceeded to have a number of drinks. He stated that Judge GILBERT and his wife left the club at approximately 3:30 AM, and he left very shortly thereafter, having become violently ill. He stated that he was sick at the club and again after arriving home, and that he himself was under the influence of liquor. STEVENS stated that he had Deputy Marshal [] drive him home since he was sick from the liquor he had drank, although he was not intoxicated.

b6
b7c

Mr. STEVENS stated that Judge FORBES was at the Flamingo Club when he left at approximately 3:45 AM and he was under the influence of liquor; however, he would not say he was drunk, nor did he have any idea what time the Judge left the club. STEVENS said that to his knowledge Judge FORBES was at work the next day in "good shape."

Mr. STEVENS stated that he had heard from [] who is now a former United States Deputy Marshal, that Judge FORBES visited the Flamingo Club a number of times after the party given by STEVENS, within a two or three week period, and stayed late at night. Mr. STEVENS stated that

AN 62-328

all of Judge FORBES' activity in visiting this night club was during the first few weeks in Fairbanks prior to his wife's arrival in December, 1954. He stated since this time he has not noted or heard of Judge FORBES visiting night clubs or having more than one or two drinks. He stated he has no knowledge of Judge FORBES visiting a night club in South Fairbanks prior to the time he took him to the Flamingo Club.

Mr. STEVENS stated that the Bar Association of Fairbanks has not had but one meeting since Judge FORBES arrived in Fairbanks and that was in the form of a banquet in the honor of retiring Judge HARRY PRATT. STEVENS stated that he did not have a drink at this banquet but everybody else was under the influence of liquor except [redacted] and himself. He stated that he did not have a drink because he had not felt well since the night at the Flamingo Club, and [redacted] does not drink at all. He stated that Judge FORBES was drinking along with the attorneys present and was not drunk during the evening, nor did he do anything that he believed would reflect on the dignity of the position of Federal Judge.

b6
b7c

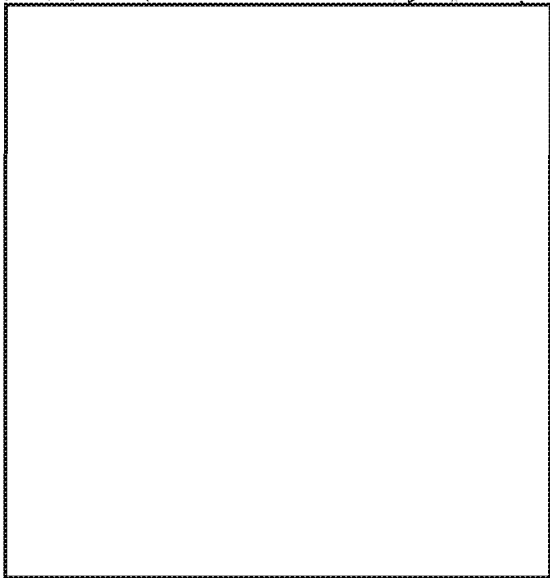

STEVENS stated that [redacted] is [redacted] of the Flamingo Club at this time and [redacted] was [redacted] at the time he and Judge FORBES were at the club.


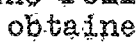
The following is the identification record of [redacted] obtained from the United States Marshal's Office, Fairbanks, Alaska:

FBI #4561551

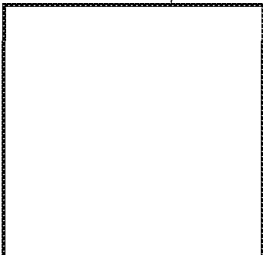
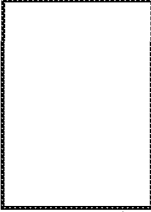
Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
PD, Topeka, Kans.	[redacted]	[redacted]	burg. and larc. admits	- TOT Co.

AN 62-328

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
War Dept., Wash., DC				
USDB, Camp Gordon, Ga.			AW 64	1 yr. sent 
PD Junction City Kansas			vag	pend
USM Anchorage Alaska			vio White Slave Act	b6 b7C
Fed Jail Fairbanks Alaska			CCW	\$100 fine

 The following is the identification record of  obtained from the United States Marshal's Office, Fairbanks, Alaska:

FBI #167 313 B

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
USM Anchorage Alaska			maintaining a bawdy-house	rel on \$2,000 bail
PD Anchorage Alaska			poss of narc	TOT Red Crt

AN 62-328

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
Bu of Narc Wash DC			Alaska Unif Narc Drug Act	pend in Federal Crt Anchorage Alaska
USM Anchorage Alaska			Narc Laws (sale)	pending in Fed Crt Anchorage Alaska
USM Anchorage Alaska			aslt w/a dangerous weapon	b6 b7C
PD Anchorage Alaska			A & B	15 das susp
Federal Jail Fairbanks Alaska			A & B	

* As [redacted] City Police Anchorage Alaska.
1950 gambling case dismissed

* As [redacted] USM Anchorage Alaska [redacted]
maintaining bawdyhouse [redacted] dismissed for
lack of evidence.

* As [redacted] USM Anchorage Alaska [redacted]
possessing and having under control narcotics
[redacted] dismissed-insufficient evidence.

* [redacted] USM Anchorage Alaska [redacted]
illegal sale of narcotics and conspiracy [redacted] dismiss

Mr. STEVENS advised that he has observed [redacted] Fairbanks, Alaska, who was an attorney in New York State a number of years ago and who told him that he resigned from the New York Bar rather than be disbarred by law, looking up cases for Judge FORBES' law clerk, [redacted]. STEVENS further stated that [redacted] is preparing a syllabus of the Ninth Circuit Court Decisions for the Judge's law clerk, [redacted]. He further stated that [redacted] is in the Judge's Law Library at least five days a week and it is possible that he is looking up law to defend himself in a number of cases presently pending before the United States District Court at Fairbanks. He stated these cases are coming up in the present term of court before Judge FORBES, and are listed as follows according to indictment by the Federal Grand Jury at Fairbanks:

b6
b7C

1. Obtaining Money Under False Pretenses
2. Two Counts Making a False Certificate
(as notary public)
3. Four Counts Embezzlement by Agent

Mr. STEVENS further stated that [redacted] has offered his assistance to some of his Assistant United States Attorneys, namely [redacted] and [redacted]. He stated to his knowledge [redacted] and [redacted] have not accepted assistance from [redacted] and he has advised them against it in that he has knowledge of [redacted] having been arrested and convicted of practicing law without a license at Fairbanks.

b6
b7C

The following is the identification record of [redacted] obtained from the United States Marshal's Office, Fairbanks, Alaska:

FBI [redacted]

AN 62-328

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
USM, Fairbanks, Alaska			Chap. 32 Session Laws, 1941 unauthorized practice of Law	<input type="checkbox"/> PG b6 in USC Ort b7C F \$100
USM, Fairbanks, Alaska			issuing checks without funds	<input type="checkbox"/> dismiss by USA Atty
Army				
SOS Army				
Fed Jail Fairbanks Alaska			failure to maintain records & books	
Fed Jail Fairbanks Alaska			1) 4 cts embz by agent 2) OMFP	

Upon interview on April 18, 1955, Federal Judge VERNON D. FORBES advised approximately the middle of December, 1954, prior to his wife arriving in Fairbanks, Alaska, and his being new in the community, he invited United States Attorney THEODORE F. STEVENS and wife to have dinner with him, which invitation they very graciously accepted. Judge FORBES stated that he and STEVENS proceeded to the Northward Building Cocktail Lounge where

AN 62-328

he had several drinks with STEVENS and his wife ANN. He stated that they then went to the Capri Restaurant for dinner, and during the dinner STEVENS continued to order drinks. After the dinner, STEVENS suggested that they go back to the Northward Cocktail Lounge for another drink, which they did. Judge FORBES stated after a drink Mr. STEVENS then suggested that they go to see a floor show at the Shangri La Night Club. He stated that Mr. STEVENS called up [redacted], then a Deputy United States Marshal, to go with them for "protection" and then in the company of [redacted] they proceeded to the Shangri La Club and found it closed. Judge FORBES stated then STEVENS suggested that they go to the Flamingo Night Club to see a floor show, so they proceeded to this club. He stated this was around midnight, and after the floor show, they sat around and had a number of drinks which STEVENS was ordering. At this time Judge FORBES stated that City Judge HUGH GILBERT and his wife accompanied them to this club at the invitation of Mr. STEVENS. He stated that Mrs. STEVENS left the Flamingo Club after the floor show and went home. He stated later in the early morning, he believed around three o'clock, Mr. and Mrs. GILBERT went home. Judge FORBES stated at this time Mr. STEVENS was intoxicated from the liquor he had drunk during the party and got sick. He stated at this time [redacted] took Mr. STEVENS home and then he went home himself.

b6
b7c

Judge FORBES advised that TOMMY ROBERTS appeared at the Flamingo Club the night he was there and he considered ROBERTS an accomplished vocalist. He stated that he had never been to a night club prior to this time owned and operated by colored people in which they had a mixed trade. He stated that he engaged one of the colored hostesses in conversation on this night and was surprised to find her a nice conversationalist. Judge FORBES stated the drinks he had this night were nothing much but water, and he had a number of drinks this evening but he was not intoxicated. He stated that nothing transpired this night which would embarrass him if in the future any of the club personnel should come before him in court.

AN 62-328

Judge FORBES stated while at the Flamingo Club, United States Attorney STEVENS told him that he should carry a gun while in Fairbanks. Judge FORBES stated he told STEVENS that he thought this suggestion was ridiculous and that he would not carry a gun; that he would carry a gun only if he was an officer, but not as a judge.

Judge FORBES advised that he visited the Flamingo Club approximately five or six times during a period of four or five weeks at the invitation of others, Mrs. LA DESSA NORDALE, United States Commissioner, Fairbanks, and other prominent people in Fairbanks to hear TOMMY ROBERTS. He stated that he never went to this club alone and has never become intoxicated during these visits. He stated after his wife arrived in Fairbanks, he took her to the Flamingo Club to hear ROBERTS and has never been back since.

Judge FORBES stated at the Knife and Fork dinner at the Elks Club in January, 1955, the speaker made many humorous references to the people in the audience during the evening, and stated that he was not intoxicated at this dinner.

Judge FORBES advised that public drinking could be beneath the dignity of a Federal Judge. He advised, however, that in accepting the suggestion of United States Attorney STEVENS that he visit the Flamingo Club, he acted in good faith, not suspecting that the United States Attorney, who should be cognizant of crime conditions in Fairbanks, would suggest he visit a disreputable place. He pointed out that he was very newly arrived in Fairbanks and knew nothing of crime conditions and regarded the United States Attorney as the best available authority on which public places should be avoided by a Federal Judge.

Judge FORBES advised that his Law Library is open to the attorneys in Fairbanks as well as the United States Attorney's Office. He stated that [redacted] whom he has heard resigned from the New York State Bar in order to keep

b6
b7C

AN 62-328

from being disbarred, spends a lot of time in the Law Library. He stated that he has never conferred with [] on any matter nor has he ever discussed any decision rendered in his court with him. He stated that he has warned his law clerk, [] not to associate with [] or at any time allow [] to place himself in such a position as he would seem to enjoy the prestige of the court association.

Judge FORBES stated that he is aware of [] being under indictment by the Grand Jury in Fairbanks and he has been arraigned in his court.

On April 19, 1955, [] Judge FORBES' Law Clerk, advised that [] hangs around the Judge's Law Library five days a week, and on a number of occasions [] has asked him what he was looking up. He stated he has on occasions told [] what he was looking for, and [] would give him a citation from the shelf and he would read it. He stated that any citation given him by [] has never influenced him in making a decision in any matter. [] stated that [] is not preparing a syllabus of the Ninth Circuit Court Decisions for him or Judge FORBES. He stated that [] stated to him once that he needed something to do. [] stated he suggested to [] that he should brief the decisions of the Ninth Circuit of Appeals. [] stated that he does not associate with [] even though he is continuously in the Law Library doing work for local attorneys in Fairbanks. He stated that he is aware that [] is under indictment before Judge FORBES' court and also that he has been convicted of practicing law without a license, and for this reason he does not associate with him and has never let [] assist him in any way.

b6
b7C

- 6 -

-12-

FBI - Stevens-3182

AN 62-328

ADMINISTRATIVE PAGE

INFORMANTS

T-1

[REDACTED], Fairbanks,
Alaska, who requested his
identity be concealed.

b6
b7C
b7D

REFERENCE

Bulet to Anchorage dated April 6, 1955.

(01/26/1998)

DATE: 12-02-2010
CLASSIFIED BY 65179 DMH/SBS
REASON: 1.4 (c,d)
DECLASSIFY ON: 12-02-2035

~~SECRET/ORCON/NOFORN~~

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 12/08/1999

To: National Security

Attn: NS-2D, SSA [REDACTED]

From: WFO

NS 2-8

Contact: SA [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED] jp

Case ID #: (S) [REDACTED] (Pending)

Title: (S) [REDACTED]

b1

OO: WFO

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

(U) Synopsis: ~~(S)~~ Interview of Senate Staffer.

(U) ~~(S)~~ Classified By: G-3, NSD/WFO
Reason: 1.5(c)
Declassify On: X1

(U) [REDACTED]

b2
b7E

(U) Administrative: ~~(S)~~ Reference secure telcalls between SSA [REDACTED] and SA [REDACTED] on 12/7/99. Attached is a copy of e-mail received by the staffer from [REDACTED]

Details: ~~(S)~~ On 12/6/99 the Bureau's Office of Congressional Affairs was contacted by [REDACTED] a.k.a. [REDACTED]

[REDACTED] for U.S. Senator Strom Thurmond, office phone [REDACTED]

A check of the Bureau's ACS revealed [REDACTED] DPOB is [REDACTED]

[REDACTED] Georgia and he has SSAN [REDACTED]. [REDACTED] wanted to

report contact he had with [REDACTED]

(S) [REDACTED] The above request was relayed to FBIHQ NS-2D who in turn passed the information to WFO NS 2-8.

(U) ~~(S)~~ ACS revealed numerous references to [REDACTED] some dating back to the 1970's. Per ACS [REDACTED] has been a reference in cases ranging from [REDACTED]

b1
b6
b7C

JP993420.ec

THIS DOCUMENT:	INITIALS	DATE
IS OK TO UP LOAD	[REDACTED]	12/10/99
WAS UPLOADED	[REDACTED]	12/10/99

~~SECRET/ORCON/NOFORN~~

FBI - Stevens-3184

(S) [REDACTED]

~~SECRET/ORCON/NOFORN~~

To: National Security From: WFOFWO
Re: (S) [redacted] 12/08/1999

b1

[redacted]. He has also been the subject of a 161 background investigation.

(U) ~~(S)~~ On 12/7/99, following Bureau procedure, SA [redacted] contacted the [redacted] Senate Security, [redacted] to advise him of the Bureau's intention to interview [redacted]. [redacted] volunteered to contact [redacted] to arrange the meeting and provide the Bureau a secure conference room. [redacted] arranged the appointment with [redacted]. [redacted] asked the Bureau to call him at 9:30 am on 12/8/99 to reconfirm the appointment.

b6
b7C

(U) ~~(S)~~ At 9:30 am on 12/8/99 SA [redacted] called [redacted] to confirm the appointment. [redacted] asked SA [redacted] to come over to his office, [redacted] in the Russell Senate Office Building. [redacted] did not understand why [redacted] had to be informed when [redacted] wanted to talk to the Bureau.

(U) ~~(S)~~ SA [redacted] contacted [redacted] to inform him [redacted] wanted to meet at the Russell Building. [redacted] commented that he understood and since [redacted] does not have a security clearance, classified information can't be discussed with him anyway, thus obviating the need for a secure room.

(U) ~~(S)~~ On 12/8/99 at 10:30 am SA [redacted] and SA [redacted] arrived at office [redacted] Russell Senate Office Building. [redacted] greeted the agents and ushered them into his office where the agents presented their credentials.

(U) ~~(S)~~ [redacted] launched into a brief, colorful discourse detailing why he did not like the fact the interview had been arranged through [redacted] office. [redacted] did not understand why [redacted] was in the loop. [redacted] went on to say that if it was Bureau policy then he would call "Louie Freeh", among others, to have it changed. SA [redacted] explained the Bureau's Congressional Affairs office had contacted the substantive desk at FBIHQ who had in turn contacted WFO regarding [redacted] desire to speak to the Bureau. SA [redacted] explained he contacted [redacted] office, not to bring more people needlessly into the loop, but that it is Bureau policy to have [redacted] facilitate meetings with Senate personnel. [redacted] understood that the agents were following policy but disagreed with it.

b6
b7C

(U) ~~(S)~~ [redacted] stated he met [redacted] on 10/21/99 at "Fight Night." Fight Night is a formal charity fund raiser where guests have the opportunity to meet legendary boxing champions.

~~SECRET/ORCON/NOFORN~~

~~SECRET~~/ORCON/NOFORN

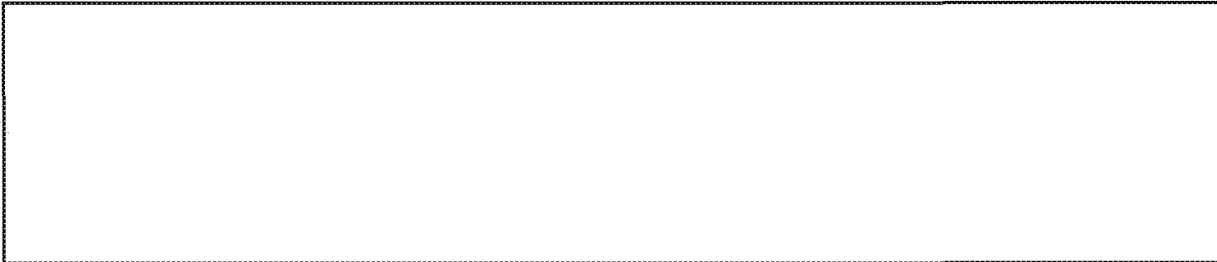
To: National Security From: WFOFWO
Re: (S) [redacted] 12/08/1999

b1

At the 10/21/99 event [redacted] was accompanying a famous retired Cuban boxer. [redacted] was asked if the boxer was [redacted] [redacted] could not remember the boxer's name. [redacted] invited [redacted] to come down to Cuba to which [redacted] replied, if we could get Castro to rectify some things that might happen. [redacted] estimated he spoke with [redacted] five or ten minutes over drinks. [redacted] gave [redacted] his business card and said he would call [redacted] to go to lunch. [redacted] had not heard from [redacted] until he received the attached e-mail on 12/6/99.

b6
b7C

(S)



b1

(U) ~~(S)~~ [redacted] advised he is working on a project involving travel in Latin America and anticipates potential future contact with [redacted]. [redacted] informed if his project comes to fruition the first country visited will be Panama.

b6
b7C

(S)



b1

♦♦

~~SECRET~~/ORCON/NOFORN

Author: CUBAN INTERESTS SECTION <cubaofia@prodigy.net> at internet
Date: 12/06/1999 6:01 PM

Normal

CC: [redacted] at Thurmond-DC
TO: "F. James Sensenbrenner, Jr" <sensen09@mail.house.gov> at Internet
CC: "John E. Sununu" <rep.sununu@mail.house.gov> at Internet,
Sullivan County Democrat <democrat@zelacom.com> at Internet,
"Bart Stupak (D)" <stupak@mail.house.gov> at Internet,
[redacted] at Internet,
"Ted Strickland (D)" <ted.strickland@mail.house.gov> at Internet,
Ted Stevens <senator.stevens@stevens.senate.gov> at Internet,
"Charles W. Stenholm (D)" <texas17@mail.house.gov> at Internet,
[redacted]@hr.house.gov> at Internet,
Cliff Stearns <cstearns@mail.house.gov> at Internet,
"Fortney Stark (D)" <petemail@starkhouse.gov> at Internet,
"Debbie Stabenow (D)" <debbie.stabenow@mail.house.gov> at Internet,
"John M. Spratt, Jr (D)" <rep.spratt@mail.house.gov> at Internet,
Arlen Specter <senator.specter@specter.senate.gov> at Internet,
Mark Souder <souder@mail.house.gov> at Internet,
"Vic Snyder (D)" <snyder.congress@mail.house.gov> at Internet,
"Olympia J. Snowe" <olympia@snowe.senate.gov> at Internet,
"Robert C. Smith" <opinion@smith.senate.gov> at Internet,
Nick Smith <rep.smith@mail.house.gov> at Internet,
Gordon Smith <oregon@gsmith.senate.gov> at Internet,
"Adam Smith (D)" <adam.smith@mail.house.gov> at Internet,
"Ike Skelton (D)" <ike.skelton@mail.house.gov> at Internet,
Mike Simpson <mike.simpson@mail.house.gov> at Internet,
Brad Sherman <brad.sherman@mail.house.gov> at Internet,
"Richard C. Shelby" <senator@shelby.senate.gov> at Internet,
Christopher Shays <rep.shays@mail.house.gov> at Internet,
[redacted]@mail.house.gov> at Internet,
John Shadegg <j.shadegg@mail.house.gov> at Internet,
Pete Sessions <petes@mail.house.gov> at Internet,
Jeff Sessions <senator@sessions.senate.gov> at Internet,
=?iso-8859-1?Q?Jose=B4_Serrano_=28D=29?<j.serrano@mail.house.gov> at Internet
Internet
CC: "Jose E. Serrano (D)" <frank2@hr.house.gov> at Internet
Subject: =?iso-8859-1?Q?Letters_from_Alarc=F3n_to_all_Parliaments_of_
----- Message Contents

b6
b7c

Received: from mailsims2.senate.gov ([156.33.203.11]) by mailexc2.senate.gov with SMTP

(IMA Internet Exchange 3.11) id 002E3601; Mon, 6 Dec 1999 18:05:27 -0500

Received: from pimout8-int.prodigy.net (pimout8-ext.prodigy.net) by mailsims2.senate.gov

(Sun Internet Mail Server sims.3.5.1999.07.30.00.05.p8) with ESMTP id <0FMC00G6QDHRH3@mailsims2.senate.gov> for [redacted]@thurmond.senate.gov; 6 Dec 1999 18:05:57 -0500 (EST)

Received: from computer (LAURB304-13.splitrock.net [209.252.77.105]) by pimout8-int.prodigy.net (8.8.5/8.8.5) with SMTP id SAA151398; Mon, 06 Dec 1999 18:04:04 -0500

Date: Mon, 06 Dec 1999 18:01:16 -0500

From: CUBAN INTERESTS SECTION <cubaofia@prodigy.net>

Subject:

=?iso-8859-1?Q?Letters_from_Alarc=F3n_to_all_Parliaments_of_the_world_and?

=?iso-8859-1?Q?_from_Felipe_P=E9rez-Roque_to_Foreign_Ministers?=
To: "F. James Sensenbrenner, Jr" <sensen09@mail.house.gov>

Cc: "John E. Sununu" <rep.sununu@mail.house.gov>,
Sullivan County Democrat <democrat@zelacom.com>,
"Bart Stupak (D)" <stupak@mail.house.gov>,
[REDACTED]

"Ted Strickland (D)" <ted.strickland@mail.house.gov>,
Ted Stevens <senator_stevens@stevens.senate.gov>,
"Charles W. Stenholm (D)" <texas17@mail.house.gov>,
[REDACTED]@hr.house.gov>,
Cliff Stearns <cstearns@mail.house.gov>,
"Fortney Stark (D)" <petemail@starkhouse.gov>,
"Debbie Stabenow (D)" <debbie.stabenow@mail.house.gov>,
"John M. Spratt, Jr (D)" <rep.spratt@mail.house.gov>,
Arlen Specter <senator_specter@specter.senate.gov>,
Mark Souder <souder@mail.house.gov>,
"Vic Snyder (D)" <snyder.congress@mail.house.gov>,
"Olympia J. Snowe" <olympia@snowe.senate.gov>,
"Robert C. Smith" <opinion@smith.senate.gov>,
Nick Smith <rep.smith@mail.house.gov>,
Gordon Smith <oregon@gsmith.senate.gov>,
"Adam Smith (D)" <adam.smith@mail.house.gov>,
"Ike Skelton (D)" <ike.skelton@mail.house.gov>,
Mike Simpson <mike.simpson@mail.house.gov>,
[REDACTED]@thurmond.senate.gov>,
Brad Sherman <brad.sherman@mail.house.gov>,
"Richard C. Shelby" <senator@shelby.senate.gov>,
Christopher Shays <rep.shays@mail.house.gov>,
[REDACTED]@mail.house.gov>,
John Shadegg <j.shadegg@mail.house.gov>,
Pete Sessions <petes@mail.house.g
Jeff Sessions <senator@sessions.senate.gov>,
=?iso-8859-1?Q?Jose=B4_Serrano_28D=29?= <jserrano@mail.house.gov>,
"Jose E. Serrano (D)" <frank2@hr.house.gov>

b6
b7C

Message-id: <001201bf403d\$d4b0c300\$694dfcd1@computer>

MIME-version: 1.0

X-Mailer: Microsoft Outlook Express 4.72.3110.1

Content-type: text/plain; charset=iso-8859-1

Content-transfer-encoding: QUOTED-PRINTABLE

X-MSMail-Priority: Normal

X-Mimeole: Produced By Microsoft MimeOLE V4.72.3110.3

X-Priority: 3

Author: CUBAN INTERESTS SECTION <cubaofia@prodigy.net> at internet

Date: 12/06/1999 6:01 PM

Normal

CC: [REDACTED] at Thurmond-DC

TO: "F. James Sensenbrenner; Jr" <sensen09@mail.house.gov> at Internet

CC: "John E. Sununu" <rep.sununu@mail.house.gov> at Internet,
Sullivan County Democrat <democrat@zelacom.com> at Internet,
"Bart Stupak (D)" <stupak@mail.house.gov> at Internet,

[REDACTED] at Internet,

"Ted Strickland (D)" <ted.strickland@mail.house.gov> at Internet,

Ted Stevens <senator_stevens@stevens.senate.gov> at Internet,

"Charles W. Stenholm (D)" <texas17@mail.house.gov> at Internet,

[REDACTED]@hr.house.gov> at Internet,

Cliff Stearns <cstearns@mail.house.gov> at Internet,

"Fortney Stark (D)" <petemail@starkhouse.gov> at Internet,

"Debbie Stabenow (D)" <debbie.stabenow@mail.house.gov> at Internet,

"John M. Spratt; Jr (D)" <rep.spratt@mail.house.gov> at Internet,

Arlen Specter <senator_specter@specter.senate.gov> at Internet,

Mark Souder <souder@mail.house.gov> at Internet,

"Vic Snyder (D)" <snyder.congress@mail.house.gov> at Internet,

"Olympia J. Snowe" <olympia@snowe.senate.gov> at Internet,

"Robert C. Smith" <opinion@smith.senate.gov> at Internet,

Nick Smith <rep.smith@mail.house.gov> at Internet,

Gordon Smith <oregon@gsmith.senate.gov> at Internet,

"Adam Smith (D)" <adam.smith@mail.house.gov> at Internet,

"Ike Skelton (D)" <ike.skelton@mail.house.gov> at Internet,

Mike Simpson <mike.simpson@mail.house.gov> at Internet,

Brad Sherman <brad.sherman@mail.house.gov> at Internet,

"Richard C. Shelby" <senator@shelby.senate.gov> at Internet,

Christopher Shays <rep.shays@mail.house.gov> at Internet,

[REDACTED]@mail.house.gov> at Internet,

John Shadegg <j.shadegg@mail.house.gov> at Internet,

Pete Sessions <petes@mail.house.gov> at Internet,

Jeff Sessions <senator@sessions.senate.gov> at Internet,

=?iso-8859-1?Q?Jose-B4_Serrano_=28D=29?=<jserrano@mail.house.gov> at Inte

Internet

CC: "Jose E. Serrano (D)" <frank2@hr.house.gov> at Internet

Subject: =?iso-8859-1?Q?Letters_from_Alarc=F3n_to_all_Parliaments_of_

----- Message Contents

b6
b7c

Havana, December 4, 1999

Your Excellency,

FBI - Stevens-3189

Enclosed you will find a letter forwarded by Dr. Ricardo Alarcon de Quesada Speaker of the National Assembly of People's Power of the Republic of Cuba to all Members of Parliament in the world.

Please, accept the testimony of my highest consideration.

Felipe Perez Roque
Ministers of Foreign Affairs
Republic of Cuba

Letter forwarded by Dr. Ricardo Alarcon de Quesada, Speaker of the National Assembly of People's Power of the Republic of Cuba, to all members of Parliament in the world.

Dear Members of Parliament,

Cuba has repeatedly denounced the double standard policy that the United States government pursues towards Cuba with regards to immigration.

While the nationals of other countries are quickly deported when they illegally enter that country, the Cubans are immediately granted permission of residence in compliance with the so-called Cuban Adjustment Act thus undermining the migratory agreements signed by both countries while encouraging illegal migration. This has lately given rise to a new phenomenon: the illegal smuggling of aliens when unscrupulous individuals wanting to profit from others and despising human life have come from the United States and surreptitiously enter our territory on speed boats to fetch Cuban citizens that they take to that country on payments of 8,000 to 10,000 US dollars per person. Most often, the travelling takes place on overcrowded boats and not few people, women and children included, have perished during such trafficking in humans.

In addition to this, over two thousand weekly hours of radio stations programming invade our radio-electronic space as part of a campaign that

repeatedly incites people to ignore the established procedures for a legal and safe migration in accordance with the aforementioned agreements signed by the United States and Cuba. The trafficking in humans is conducted on rudimentary and unsafe vessels, either built or stolen in our country by people who receive money from and act in complicity with others living in the United States of America.

Last November 22, ancillary troops of our Coast Guard Forces detected, within our jurisdictional waters, a vessel carrying a group of people to Florida. As the efforts to persuade them to abandon their undertaking failed --and in compliance with the well-known conduct observed in such cases to avoid the use of force and intimidation to prevent accidents-- it was decided to escort them up to the international waters. Additionally, an immediate communication was forwarded through the established channels, that is, fax and telex to the U.S. Coast Guard Service patrolling the seas adjacent to Cuba about the presence and characteristics of such vessel navigating towards Florida "with a group of about 13 people, including children, on the northern coast of Matanzas province with the intent to illegally enter the territory of the United States of America.

A few days later, on November 25, we learned that the U.S. Coast Guard Service had rescued, near the coast of Florida, three survivors of a shipwreck and that five-year-old Elián González Brotóns was one of them.

That child was being illegally carried aboard that vessel by a man named Lázaro Munero García who had close personal relations with the child's mother already divorced from the boy's father, Juan Miguel González Quintana, a resident in the city of Cardenas, Matanzas province, Cuba. The father had a very close relationship with his son whom he constantly visits as he properly discharged his obligations as a parent.

The child's grandparents, on both sides of the family, had also a very close and loving relationship with him as they live in the same city. They, too, have been deprived of the boy's presence.

Neither the father nor any other relative was consulted about the child's departure. The father's permission was not requested to take his small son to the United States of America, least of all to carry him there illegally and by irresponsible and unsafe means. The two persons responsible for illegally taking the child, that is, the mother and her friend, perished in the shipwreck.

Once again the United States government has violated the basic principles of law and respect for human dignity thus insulting the child's father, a modest Cuban worker, and his grandparents when it has used the Immigration and Naturalization Service to illegally retain the child in their territory despite the father's insistent claim to recover his son in compliance with his full right to custody.

Far from acting with the urgency that the case demands and returning the child to his father through the expedite procedures provided for such cases the United States government, in connivance with the Cuban-American extreme right mob in Miami avoids a fair, legal and human action and chooses to keep him in their territory thus turning this into a de facto and de jure act of abduction of the child illegally snatched from Cuba.

From the moment a person is born until he becomes of age and is then considered in full capacity to act on his own, it falls on the parents the

right and the duty to provide care, education and to keep him under custody and attention. Until becoming of age and for his benefit, every minor is legally subjected to the custody exercised by his parents, that is, to depend from others; he cannot act of his own free will. Such dependency shows in his capacity to act and the full exercise of his rights, which in principle are determined by both parents or by one of them when the other has died.

Such a transcendental action as it is the separation from his country, because it uproots the child from his daily life, his family, his classmate and friends, his culture and nationality, demands the previous consent of both parents when one of them intends to leave the national territory.

It is for these reasons that Elián's father and his grandparents' right to demand his immediate return to the home and family from which he was illegally snatched is not negotiable. This claim is decidedly supported by all the Cuban people as a perfectly just defense of the infringed rights of this child and his father.

The behavior of the government of the United States of America which violates Elián's right to enjoy his father's love and understanding, to fully and harmoniously develop his personality and to grow in the loving family from which he was unfairly separated and where he has his dearest and deepest affections, is thus denounced by the National Assembly of People's Power that on behalf of the Cuban people exposes this vandalistic action and appeals to the most determined support of all Members of Parliament in the world.

Sincerely,

Dr. Ricardo Alarcon de Quesada
Speaker of the National Assembly
Of the Republic of Cuba

Havana, December 4, 199

Your Excellency,

I would like to draw your attention to a most unfortunate situation created by the bizarre and deplorable action of the government of the United States of America in violation of the migratory agreements signed by that country and the Republic of Cuba and of the international law, but above all in violation of the basic standards of humanitarian behavior.

In the afternoon of last November 25, news began to flow in on the shipwreck near the Florida coasts of a vessel with illegal Cuban immigrants on board. It was a clear operation of illegal smuggling of aliens conducted by unscrupulous outlaws who operate within the American territory. According to further more precise information, a couple of survivors were found in front of Key Bizcayne while a five-year-old boy was located holding from a rubber tire near Haulover Inlet, close to Miami City.

The statements made by the survivors showed that it was a group of 14 people who had departed on November 22, before dawn, from a place in the north of Cardenas City, Matanzas province, Cuba.

The name of the surviving child is Elián González Brótons.

That child was being illegally carried aboard that vessel by a man named Lázaro Munero García who had close personal relations with the child's mother already divorced from the boy's father, Juan Miguel González Quintana, a resident in the city of Cardenas, Matanzas province, Cuba. The father had a very close relationship with his son whom he constantly visits as he properly discharged his obligations as a parent.

The child's grandparents, on both sides of the family, had also a very close and loving relationship with him as they live in the same city. They, too, have been deprived of the boy's presence.

Neither the father nor any other relative was consulted about the child's departure. The father's permission was not requested to take his small son to the United States of America, least of all to carry him there illegally and by irresponsible and risky means. The two persons responsible for illegally taking the child, that is, the mother and her friend, perished in the shipwreck.

The father of this child has addressed our Ministry requesting that the procedures to have his son returned were immediately begun. The grandparent on both sides of the family who also live in Cuba support this request. The all claim for Elian's immediate return to his family.

Accordingly, the Ministry of Foreign Affairs of the Republic of Cuba has presented two verbal notes, on November 27, to the U.S. Interest Section in Cuba and to the U.S. State Department in Washington. A letter from the child's father requesting his return was added to the note.

At this moment, there is still no reply from the government of the United States of America.

Elián's father's right to custody is indisputably legal and provided for in both the Cuban law and the international law.

Arbitrarily holding the boy in the territory of the United States of America qualifies as an abduction and constitutes a shameful act of piracy and a true escalation in the stubborn and failed anti-Cuban policy rejected by the international community and detrimental to the best interest of the American and Cuban peoples.

The manipulation of this case with political purposes by certain groups in the United States, particularly the notorious terrorist organization known as the Cuban-American National Foundation, is most disgusting.

It is inconceivable that an innocent child who has just barely survived such a dreadful tragedy is being so abused and that his misery is cynically extended by preventing his return to his father, his grandparents, friends and neighbors in the country where he was born.

This predicament, which amounts to a violation of the child Elián González Bróntons' basic human rights, is building such a growing state of anger and irritation among the people here that if it is not resolved in the shortest possible time it could lead to dangerous tensions between the two nations. Therefore, by describing this situation I am appealing to you and to the international community to prevent this huge abuse of and contempt for the basic norms of civilized coexistence. Little Elián must be immediately returned to his family as it befits the loftiest concepts of justice and humanism.

Please, accept the testimony of my highest consideration.

Felipe Perez Roque
Minister of Foreign Affairs
Republic of Cuba

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 4/17/1997

To: OFFICE OF PUBLIC AND

Attn: CONGRESSIONAL AFFAIRS
CONGRESSIONAL AFFAIRS
OFFICE,

SSA [REDACTED]
ROOM 7244

From: ANCHORAGE

SQUAD 4

Contact: SSA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] DEE

b6
b7C

Case ID #: 87-0
80-AN-2

Title: [REDACTED]
SENATOR TED STEVENS,
CONGRESSIONAL INQUIRY;

Synopsis: To forward a letter of inquiry from Senator Ted Stevens to OPCA for appropriate response.

Enclosures: Letter from Senator Steven's office dated April 10, 1997, with an attachment letter from [REDACTED] dated 4/8/97. Also included is one copy of the documents referenced in [REDACTED] letter, and one draft copy of the Anchorage Electronic Communication to Seattle dated 4/17/97.

Details: Reference telephone conversation from SSA [REDACTED] in Anchorage, to SSA [REDACTED] OPCA, on 4/17/97 re attached letter and accompanying documents.

b6
b7C

The subject of the inquiry is set out in [REDACTED] letter, wherein he is complaining about the lack of followup with respect to the recovery of a piece of equipment or the money for same, sold by a former employee, [REDACTED]

For information OPCA, the original complaint from [REDACTED] was received at the Anchorage Office on 3/25/97. An Anchorage Agent made contact with [REDACTED] and others reference

FBI - Stevens-3195

To: OPCA From: ANCHORAGE
Re: 87-0, 4/17/1997

to the complaint and advised that it would be forwarded to the Seattle Division for their review. After advising the complainants of this, the Agent prepared the appropriate communication for transmittal of the complaint and accompanying documents to the Seattle Division for their review and whatever action that they deem appropriate. That communication was forwarded to Pocatello for transcription by Anchorage due to a backlog of typing in the office. As such, as of instant date the EC for Seattle has not been transmitted.

For information OPCA, a preliminary review of the complaint has indicated that this complaint is civil in nature.

OPCA is requested to forward the appropriate response to this inquiry to Senator Stevens.

♦♦

Complaint Form

NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☒ Negative ☐ See below

Subject's name and aliases AK Senator Ben Stevens U.S. Senator Ted Stevens AK Senator Wagner				Character of case Public Corruption			
				Complainant <input type="checkbox"/> Protect Source			
				Complaint received by SA [redacted]			
				Field Office AN [redacted] Telephone [redacted]			
				<input type="checkbox"/> Personal <input checked="" type="checkbox"/> Telephonic Date 06/23/2004 Time 12:30 pm			
Address of Subject				Complainant's address and telephone number			
				Anch, AK [redacted]			
				Complainant's DOB [redacted]			Sex
Subject's Description	Race	<input type="checkbox"/> Male	Height	Hair	Build	Birth date and birth place	
	Age	<input type="checkbox"/> Female	Weight	Eyes	Complexion	Social Security Number	
	Scars, marks and other data						
Employer		Address				Telephone	
Vehicle Description							
Facts of Complaint <p>Complainant called to report on alleged public corruption.</p> <p>According to a June 6, 2004 Alaska Daily News article, Alaska State Senator Ben Stevens, via a group (J.L. Properties, allegedly owned by U.S. Senator Stevens, AK), lobbied Alaska State Senator Wagner to change state tax laws that would reduce the amount of taxes J.L. Properties pays to the Municipality of Anchorage for projects on Elmendorf Air Force Base.</p> <p>Complainant explained that because U.S. Senator Ted Stevens (AK) is a direct owner of J.L. Properties, it is likely that his son, State</p>							
DDE (1) FBI - Stevens-3250				Do not write in this space.			
SA [redacted]				BLOCK STAMP			

b2
b6
b7Cb6
b7C

Mm@Ww...@...
 V2.11" -h-8#39-y...
 corruption. '-...

2

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/20/2005

On 06/17/2005, an individual provided the following information:

Source heard the Alaska Railroad is considering building a spur to the Brooks mountain range in northern Alaska. Source stated that the Arctic Slope Regional Corporation (ASRC) had contracted with Anadarko Petroleum to search for oil reserves on ASRC land in the Brooks range. [REDACTED]

[REDACTED] of ASRC is on the Alaska Railroad [REDACTED] Source believed the only reason that the Alaska Railroad is considering this spur is to provide a cheap means for ASRC to ship petroleum out of the area if Andarko finds petroleum. Source questioned Alaska State Senator Hollis French about the spur and he confirmed that it was under consideration.

b6
b7C

Source also noted that U.S. Senator Ted Stevens is chairman of a Senate Defense committee and that several of Andarko's board members are associated with the Department of Defense.

Source reiterated previously reported information that [REDACTED] JL Properties Inc., previously had a large remediation contract with the North Slope Borough, under the name of Rubini & Reeves, for which he was paid but on which he did not perform. Sen. Stevens, as recently reported in the Anchorage Daily News, invested in a real estate deal [REDACTED] and made nearly \$1 million profit. Source noted that the deal related to Centerpoint LLC, which owns a building that serves as Anchorage offices of ASRC. Source noted that Sen. Stevens has close ties with ASRC and frequently has pushed legislation favorable to ASRC. Source also noted that ASRC has many contracts with the Department of Defense.

b6
b7C

Administrative Note: [REDACTED] was a member of the Alaska Railroad [REDACTED] but was not a member as of [REDACTED] Per the North Slope Borough website, Rubini & Reeves was awarded Contract #99-189 with by the North Slope Borough for Areawide Remediation for Contaminated Sites.

Investigation on 06/17/2005 at Anchorage, Alaska

b2
b6
b7C
b7D

File # [REDACTED] AN 58-0

Date dictated N/A

FBI - Stevens-3252

by SA [REDACTED]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/17/2004

An individual who is in a position to testify provided the following information:

[redacted] the Gibson Foundation, 400 Hualani, Building 10, Suite 194, Hilo, Hawaii 96720, telephone [redacted]

[redacted] had moved to Hawaii from Alaska and believed they are being paid by the Arctic Slope Regional Corporation to lobby against the interests of the Gwich'in Indian [redacted] b6 b7C b7D

[redacted] the Council for Native Hawaiian Advancement. According to [redacted] the Council has brought in millions of dollars in Federal money but this money seems to be rapidly disappearing, not being spent on the issues for which it was designated. [redacted]

[redacted] because of pressure applied by Sen. DANIEL INOUE.

[redacted] are getting Department of Defense contracts and believed something illegitimate was going on. [redacted]

[redacted] series of articles on the Internet regarding the relationship between [redacted] big oil interests in Alaska, and Hawaiian politics. [redacted] an article that referenced SEN. TED STEVENS' attempts to site casinos around the United States that would be run by Alaska Native Corporations. Copies of these articles are attached hereto. b2 b6 b7C b7D

Investigation on 03/08/2004 at Anchorage, Alaska

File # [redacted] AN 58-0; AN 46-0

Date dictated N/A

by SA [redacted]

FBI - Stevens-3253

58C-0 (Corruption Federal Public Officials-Legislative)

~~XXXXXXXXXXXXXXXXXXXX~~

BWM

1

b2
b7D

On April 24, 1996, the following information was provided by [REDACTED] (source).

Source advised that ~~VECO Environmental & Professional Services, Inc. (VECO)~~, an Anchorage company, has been involved in a Title 10, Section 801, Leased Military Family Housing contract at Eielson Air Force Base (EAFB), Alaska. This is a fixed price contract, commonly known as 801 housing. VECO's contract involves remediating 801 housing that was botched during construction by Martech USA, Inc. (MarTech).

b6
b7C
b7D

VECO is now claiming that it incurred a 43 million dollar loss while performing this contract. In compensation for this claimed loss, VECO is requesting a 20 year extension (40 years total) of the government lease on the affected property, an extension on payments required by VECO to the Air Force, and assumption by the Air Force of all taxes and insurance on the affected property. The authority for this compensation will be determined at Department of the Air Force level. [REDACTED]

Normally, a company such as VECO requests compensation by filing a claim against the government. Such a claim is accompanied by documentation, including written statements, which can be audited by the government. [REDACTED]

[REDACTED] the numbers required to document a claim will not be available until late summer, 1996. [REDACTED] inconsistent with VECO's reporting an undocumented loss of 43 million. [REDACTED] that VECO "blew" the square footage price in its bid.

~~Ralston BOESE~~ is presently a four star general and acting as Vice Chairman for the Joint Chiefs of Staff. BOESE was previously 11th Air Force Commander, Alaska. BOESE and Senator ~~Ted STEVENS~~, Alaska, reportedly were key individuals in the acceptance of Martech to perform the first contract. They knew at that time that Martech probably couldn't perform. BOESE personally intervened at one point to prevent Martech's termination.

FBI - Stevens-3254

AN 58-O-1

58C-0 (Corruption Federal Public Officials-Legislative)

[REDACTED]
BWM

b2
b6
b7C
b7D

2

When VECO was hired to remediate Martech's failed 801 housing project, VECO representatives were reportedly advised by BOESE or STEVENS that funding for the project, to include cost overruns, was not a problem. Approval of VECO's 43 million dollar compensation request lies with BOESE.

[REDACTED]
in this matter between STEVENS and BOESE. [REDACTED]
[REDACTED]

FBI - Stevens-3255

09/20/1999

Source, who is in a position to testify, provided the following information:

The interview was conducted in the office of Assistant United States Attorney (AUSA) [REDACTED] who was present. Source's legal counsel, [REDACTED] and Paralegal [REDACTED] were present during the interview.

b6
b7C
b7D

Source said that [REDACTED] recently purchased a brand new Mercedes Benz, Sport Utility Vehicle (SUV). Research Development Laboratories (RDL) is still experiencing financial difficulties, including cash shortages and difficulties in meeting payroll expense. Source has avoided involvement in the criminal investigation and defense of the company. RDL has hired a Criminal Defense Attorney, [REDACTED] (phonetic), who is believed to be [REDACTED] Defense Attorney [REDACTED]. Source has learned that [REDACTED]

[REDACTED] was of the opinion that AUSA [REDACTED] was not interested in pursuing the prosecution of RDL. [REDACTED]

[REDACTED] Source has been led to believe that [REDACTED] has interviewed a good number of the RDL employees regarding the investigation.

b3
b6
b7C
b7D

[REDACTED] for the Federal Grand Jury Subpoena has been accomplished by the [REDACTED]

[REDACTED] with the Federal Grand Jury Subpoena.

FBI - Stevens-3256

09/14/1999 Los Angeles, CA

b2
b6
b7C
b7D

[REDACTED] & 46A-LA-217329

SA [REDACTED] and
SA [REDACTED] MET/mam

09/20/1999

[REDACTED] & 46A-LA-217329

b2
b6
b7C
b7D

CONFIDENTIAL SOURCE

09/14/1999

2

[REDACTED] computer files relating to the OSR contract which the company could not find or retrieve on one of its CD Roms. [REDACTED]

[REDACTED] Commercial Technology Corporation (CTC). RDL recently hired a new [REDACTED]

[REDACTED] Y

Source was aware of a Certified Public Accountant (CPA) audit report prepared by the company known as KATZ for RDL for the years of 1993, 1994 and 1995. [REDACTED]

The issues of the OSR over-billing on the flow-through costs, and the personal withdrawals from RDL by [REDACTED] were made known to [REDACTED] Source learned that at this meeting [REDACTED] indicating that they were in the amount of approximately \$200,000, but he was corrected by [REDACTED] that he very well knew that it was nearly \$2 million dollars. During these disclosures, [REDACTED] he had done some stupid things which were criminal.

There is a current audit being performed by the Defense Contract Audit Agency (DCAA) regarding the OSR contract and incurred costs by the company. [REDACTED]

[REDACTED] with DCAA on that audit. The issue of advances and bonuses came up relative to the audit. [REDACTED]

[REDACTED]

[REDACTED] two of RDL's subsidiaries, CTC and PIC, were merged. [REDACTED] PIC as a subsidiary that would own the technical rights to the Photonic

b6
b7C
b7D

FBI - Stevens-3257

[REDACTED] & 46A-LA-217329

CONFIDENTIAL SOURCE

09/14/1999

3

Integrated Chip (PIC) Technology. CTC was setup as a separate subsidiary to commercially market this technology that was developed through PIC. \$600,000 was put into PIC as capital investment. This investment came from SpaceVest and was not to be encumbered.

[REDACTED]
[REDACTED] an Air Force contract for RDL regarding PIC Technology, and that CTC did not own any of the rights to that technology. The investors learned about [REDACTED] which was being kept at the State Bank of India. [REDACTED] repay the money to the bank so that the lien would be released.

[REDACTED] OSR Accounts Receivable to [REDACTED]
[REDACTED] Bank several years ago. [REDACTED]

[REDACTED] money for RDL through outside sources. [REDACTED] loan from Brentwood Bank, through [REDACTED]

This information is being kept secret from the investors at SpaceVest. [REDACTED] check from Brentwood Bank, [REDACTED]

After RDL had been subpoenaed, [REDACTED]

[REDACTED] for the PIC contract, [REDACTED]

FBI - Stevens-3258

[REDACTED] & 46A-LA-217329

CONFIDENTIAL SOURCE

09/14/1999

4

[REDACTED] are not working on that program, were charging to [REDACTED]. After [REDACTED] complained to [REDACTED] about this problem, and was not given any support. [REDACTED]

[REDACTED] that the company would come up with other funds later to cover it. [REDACTED]

In 1996, investors from SpaceVest began putting money into CTC. Part of this money was intended to pay down the OSR over-billing. [REDACTED] may have disclosed the over-billing to SpaceVest during that time frame. [REDACTED]

[REDACTED] of the OSR problem. [REDACTED] for SpaceVest, [REDACTED]

[REDACTED] comments regarding the problems at RDL. [REDACTED] funneling money into commercial ventures from RDL. [REDACTED] channeling resources, talent and time into the commercial ventures, primarily CTC, instead of into the Government work. [REDACTED] relative to dealing with CTC and SpaceVest. [REDACTED]

[REDACTED] these activities would be stopped. [REDACTED] these activities occurred, in part, because of cash-flow problems. The cash-flow problems at RDL were amplified when the Air Force canceled a large cost type contract known as Hav Gaze during December of 1994. [REDACTED]

[REDACTED] each separate technology into a new subsidiary of RDL. Once CTC was created [REDACTED] Theoretically, CTC owned the intellectual property or technology that was going to be developed for commercial ventures. [REDACTED] Federal Government program, Small Business Independent Research (SBIR) as a means of funding and developing the technology utilized by CTC. The actual technology was being developed through the PIC contract with the United States Air Force. [REDACTED] the SBIR agreement, CTC was responsible for matching research funds with those provided by the Government. However, CTC is not providing money for research. The money being provided by the investors is being used for marketing the commercial product that is likely to be developed. [REDACTED]

[REDACTED] & 46A-LA-217329

CONFIDENTIAL SOURCE

09/14/1999

5

as an entity. This agreement was apparently created because SpaceVest was initiating an investment into a start-up venture, which is typically unallowable. The conversion feature also allowed the investment to be for an existing company (RDL). This is probably a large part of their reasoning for trying to make RDL become a solvent company.

RDL put approximately \$1 million dollars into CTC, [REDACTED]

[REDACTED] This was during a time in which RDL had no retained earnings and was losing money nearly every year. [REDACTED] money that went into funding CTC came from Government contracts. The original source of technology for the PIC contract and CTC came from studies involving Rice University, and Phillips Laboratory Research for the United States Air Force.

During the summer of 1998, [REDACTED] KPMG, was hired to quantify the amount of over-billings on the OSR contract. [REDACTED]

[REDACTED] During 1997 and 1998, SpaceVest investors [REDACTED] [REDACTED] problem with the OSR contract. [REDACTED]

the Small Business Administration (SBA). The SBA wanted to know how RDL could stay in business. This question came as a result of very poor financial performance. [REDACTED]

[REDACTED] RDL India. This company is apparently [REDACTED] This company is developing software in India.

[REDACTED] & 46A-LA-217329

CONFIDENTIAL SOURCE

09/14/1999

6

Congressman Jack Mirtha has helped RDL obtain funding for several projects, including Hav Gaze, Tera Bit (CTC Technology) and possibly other programs. [REDACTED] the RDL facility in Jonestown, Pennsylvania, to facilitate Mirtha.

Senator Larry Pressler, of South Dakota, has helped RDL relative to programs involving Light SAR. Senator Ted Stevens, of Alaska, has assisted RDL during times of budget reconciliations in which funding otherwise would not have been available to RDL. [REDACTED] has been in contact with Stevens' [REDACTED] (first name unknown)

[REDACTED]

Former Representative Robert Dornan, who is on the National Security Committee, assisted RDL relative to the Hav Gaze program.

Former Senator Dennis DiConcini had been the Chairman of the Intelligence Committee. DiConcini helped RDL relative to the Hav Gaze program, and is currently a Board Member for CTC and on retainer as a consultant for \$10,000 per month. DiConcini was helpful to RDL relative to "black programs."

FBI - Stevens-3261

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description - Unrecorded Serial

Total Deleted Page(s) ~22

Page 1 ~ b1, b6, b7C

Page 2 ~ b1

XXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page X
X No Duplication Fee X
X for this page X
XXXXXXXXXXXXXXXXXXXXXXXXX

Serial Description - Unrecorded Serial

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX

-1-

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/02/2004

An individual who is in a position to testify provided the following information:

Source wished to reiterate previous information provided by Source. Source stated that several years ago, [REDACTED] that received approximately \$2 million from the Department of Defense to clean up contamination [REDACTED] was paid, but never cleaned up the landfill. [REDACTED] JL Properties, which owns the building rented by the Arctic Slope Regional Corporation (ASRC). JL Properties also has received government contracts for housing on Elmendorf and recently built and leased an office building to the National Park Service. b6 b7C b7D

Senator Ted Stevens is an investor in JL Properties and reportedly made a substantial sum, approximately \$1 million, off of this investment.

Stevens then sponsored a bill to pay [REDACTED] ASRC, approximately \$2.5 million to compensate [REDACTED] for land now owned by [REDACTED] that contains a [REDACTED] the land in a deal with the government after the land was contaminated. The Department of defense still will have to pay to clean up the land.

Source recently spoke to an individual in [REDACTED] who said there are approximately 16 graves on the land and none of the individuals are relatives of [REDACTED] meaning that [REDACTED] may not have actually had a historical claim to the land in the first place.

Investigation on 07/30/2004 at Anchorage, Alaska

File # [REDACTED] AN 318-0; AN 58-0

Date dictated N/A

by SA [REDACTED]

FBI - Stevens-3267

Memorandum

~~SECRET~~



(S) To : SAC, WMFO [redacted] (P) (CI-2) Date 12/29/88

From : SA [redacted] (CI-2)

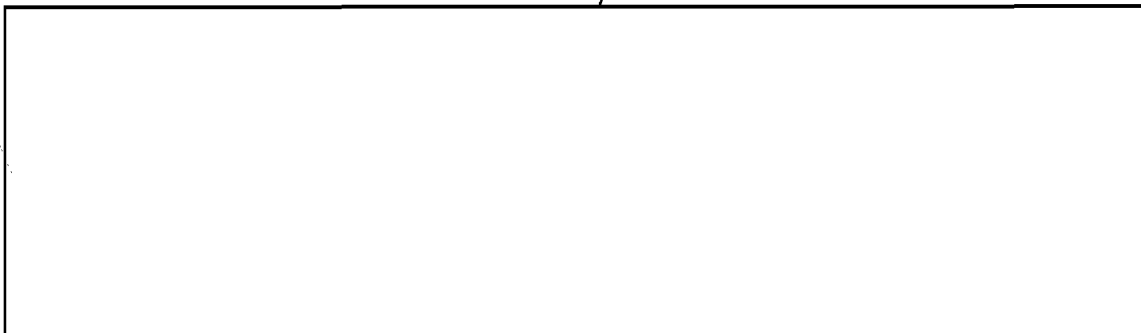
(S) Subject : [redacted]

OO:WMFO

b1
b6
b7C

~~ALL MARKINGS, NOTATIONS, AND ITEMS OF INFORMATION
CONTAINED IN THIS COMMUNICATION IS CLASSIFIED "SECRET" UNLESS
OTHERWISE NOTED.~~

(S)



On December 21, 1988, [redacted] was interviewed in the office of Senator STEVENS by SA's [redacted] and [redacted]. [redacted] advised that he was first contacted by the subject as a follow up to the senator's letter to Ambassador DUBININ expressing an interest in travel to Vladivostok. The subject asked [redacted] to come to the Embassy the following morning, at which time, the subject escorted him to a large room on the second floor. [redacted] was served coffee and spent 30 or 40 minutes with the subject who was described as savy, smooth and relaxed during the conversation. [redacted] noticed no evidence of alcohol use by the subject.

b6
b7C

The main topic discussed concerned the Senator's plans and what he hoped to accomplish, however, on a personal note, when asked, the subject told [redacted]

[redacted] and that this was his [redacted]

CLASSIFIED BY: G-3
DECLASSIFY ON: OADR

(S) ②-WMFO
(1) [redacted]
(2) [redacted]
BAP:rac
(2) [redacted]

FBI - Stevens-3268

DATE: 12-21-2010
CLASSIFIED BY 65179 DMH/SBS
REASON: 1.4 (c,d)
DECLASSIFY ON: 12-21-2035

(S)

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 29 1988	
FBI - WASH. FIELD OFFICE	

[redacted]

b1
b6
b7C

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

~~SECRET~~

~~SECRET~~

(S)

[redacted]
tour in the United States. The subject advised that this was a good post if you wanted to move up in foreign service. [redacted] got the impression that he was pleased to be in the United States but that he had not actively campaigned for it.

b1
b6
b7C

[redacted] asked what the subject liked to do for recreation here and back in the Soviet Union. The subject replied that he liked to ice skate back home but did not say what he does here for recreation.

[redacted] attempted to solicit the subject's views on current events in his country stating that, "it is a very interesting time in your country." The subject parroted this language back to him but did not give his personal views. Although total speculation on his part, [redacted]
[redacted]

[redacted] at this meeting. The subject agreed to help, and before [redacted] could get back to his office, there was a call saying [redacted]
[redacted]

The subject and the Ambassador both indicated that they had sent out Senator STEVENS' request with a favorable recommendation to Moscow, however, a response was slow in coming. [redacted]

b6
b7C

[redacted] He was told that Moscow had not responded and that things are very busy now. [redacted] noted that this was during the period of the riots in the Soviet Union.

When STEVENS finally said that it had taken too long and he would have to forego the trip, the subject rushed right over with the response indicating that the Soviets agreed in principle but would get back to him on dates.

(S) [redacted] was very cooperative and agreed to call the agents if he could provide additional information concerning this subject as well as [redacted] with whom he has had contact in the past. [redacted] was interviewed concerning [redacted] on July 30, 1987 and has had no contact since that time.

b1
b6
b7C

~~SECRET~~

Complaint Form

NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☐ Negative ☐ See below

Subject's name and aliases [REDACTED] US Senator Ted Stevens		Character of case Federal Level Public Corruption		b2 b6 b7C
Complainant <input type="checkbox"/> Protect Source [REDACTED]		Complaint received by [REDACTED] mbk		
Field Office Anchorage Telephone [REDACTED]		<input type="checkbox"/> Personal <input checked="" type="checkbox"/> Telephonic Date 02/04/2009 Time 4:00 pm		
Address of Subject		Complainant's address and telephone number [REDACTED] Anchorage, Alaska [REDACTED]		
Complainant's DOB		Sex Male		
Subject's Description	Race W	<input checked="" type="checkbox"/> Male	Height	Hair
	Age	<input type="checkbox"/> Female	Weight	Eyes
	Build			
Birth date and birth place		Social Security Number		
Scars, marks and other data				
Employer		Address		Telephone b6 b7C
Vehicle Description				
Facts of Complaint				
The complainant was [REDACTED] house in Anchorage and [REDACTED] [REDACTED] from Anchorage who operated [REDACTED] [REDACTED] filled to eliminate a mosquito problem that was caused by the pond. The destruction of the pond resulted in an investigation by a federal agency. [REDACTED] said that the investigation ended prematurely because United States Senator Ted Stevens allegedly refused to approve the investigating agency's budget until the investigation was resolved. According to the [REDACTED] [REDACTED] SA [REDACTED] asked the complainant to provide the name of the [REDACTED]				
mbk (2)		Do not write in this space.		
[REDACTED] (Complaint received by)		FBI - Stevens-3270 BLOCK STAMP		

[redacted] who made the statement and the identity of the agency that was conducting the investigation. b6 b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/24/2003

An individual, who is in a position to testify, provided the following information:

Source provided a copy of an article out of the 08/04/2003 - 08/20/2003 Anchorage Press newspaper titled "The Master Builders: JL Properties' Jon Rubini has some big developments - and an even bigger investor." The article detailed Sen. Ted Stevens' ties to [REDACTED] JL Properties, as well as allegations that JL Properties had benefitted from this relationship by receiving Federal contracts and contracts with Native Corporations, to whom Sen. Stevens is closely tied. A copy of this article is attached hereto and made a part hereof. (1)

b6
b7C
b7D

Source believed [REDACTED] was the same person who also received [REDACTED] from the U.S. Department of Defense (DOD) as a [REDACTED] Rubini & Reeves for work in the North Slope Borough (NSB). The DOD money was to clean up the Barrow landfill that was contaminated with iodine from military waste. Source, who was familiar with the project [REDACTED] believed that the landfill never was cleaned up and that Rubini & Reeves kept the money and justified it as a consulting fee. [REDACTED] payoffs may have gone to North Slope Borough as well, including [REDACTED] who was the [REDACTED] of the NSB's Capital Improvement Program Management (CIPM) [REDACTED] Rubini & Reeves referencing this project. Source believed this would have been in the late 1990s.

b2
b6
b7C
b7D

297cws01.302

Investigation on 10/15/2003 at Anchorage, AlaskaFile # [REDACTED] AN-58-0-23 Date dictated N/Aby SA [REDACTED] FBI - Stevens-3272

N/SSA [REDACTED] WSR
FBI - Stevens-3272 (info)mm

ANCHORAGE'S MOST WIDELY-READ WEEKLY NEWSPAPER

Vol. 12, Ed. 33 August14 - August 20, 2003

[CLICK HERE FOR THE MAIN PAGE!](#)

- [Calendar](#)
- [Classifieds](#)
- [Live Local Music](#)
- [Movie Guide](#)
- [Personals](#)
- [Advertising](#)
- [Press Facts](#)
- [Subscribe](#)
- [Archives](#)
- [Feedback](#)

The master builders

JL Properties' Jon Rubini has some big

developments - and an even bigger investor

By Tony Hopfinger

In 1987, Jon Rubini left his job as an Alaska assistant attorney general. The state was then mired in a vicious recession brought on by over-development and low oil prices. Banks were closing left and right. Anchorage apartment vacancy rates soared, jumping more than twenty-five percent in 1987 alone as the unemployed fled. Property values plummeted. Developers went bankrupt.

Today Rubini is one of the state's biggest developers, but in 1987 he was just a former state lawyer looking for a change. He went to Asia for a year and a half, where he lived on "a dollar a day," he said recently. His idyll was interrupted when he learned that his father, a doctor in Los Angeles, needed his help. The senior Rubini had invested in Alaska real estate during the boom years, before the recession, and now his investments were in trouble. He turned to his son for help.

Not long after Jon Rubini returned to Alaska, his father died of cancer. Jon was left to untangle his estate, "dancing through the mess that everybody was dealing with, when things were worth thirty percent of what they used to be worth and nothing was worth anything," he recalled. That's when he stumbled on a new career that would one day make him one of the Last Frontier's tycoons - and lead to an extraordinary business partnership with Senator Ted Stevens.

Rubini joined forces with Leonard Hyde, a quiet man who had been a petroleum engineer for ARCO before he was lured into the hot real estate market of the early Eighties. Soon Rubini and Hyde were gobbling up property in Anchorage and Fairbanks. Eventually the pair built office towers and hotels and renovated military housing and dying shopping centers, placing them among the largest private real estate holders in the state.

Rubini and Hyde's company, JL Properties Inc., today owns between three hundred million and three hundred and fifty million dollars worth of properties in Anchorage and Fairbanks, according to Rubini. Almost wherever you drive in Anchorage its buildings loom. That recently built, ten-story office tower in Midtown with the curved green glass? JL owns it. The new National Park Service building that seemed to sprout overnight downtown, next to the



Fifth Avenue Mall? JL again. And that's just for starters.

"These guys must own every building around town," a state clerk said recently as she looked up Rubini and Hyde's names in the database at the state Division of Banking, Securities and Corporations.

JL Properties owns the Alaska Railroad's headquarters in Ship Creek and the big, two-building Calais Office Center on C Street. It has built and renovated hundreds of apartments on Elmendorf Air Force Base. It bought a stake in the struggling University Center mall, renovated parts of the outdated shopping center and sold space in it to the University of Alaska. In Fairbanks, Rubini and Hyde own hundreds of apartments. They've redeveloped parts of the downtown area and built a Marriott hotel there.

JL's latest "project of the week," Rubini says, is revamping the dying Boniface Mall, in east Anchorage. The company has already converted an old grocery store at the mall into a charter school, which is set to open this fall. JL also plans to break ground next month on another office tower, next to the ten-story tower it built on C Street between 36th Avenue and Tudor Road.

How did Jon Rubini and Leonard Hyde climb from the ashes of the Eighties crash? Their success in large part has come from knowing the right people at the right time. Rubini has teamed with other developers, like Joe Brotherton, of Seattle, a youthful man with an Anchorage apartment replete with a small basketball court that Rubini calls "The Love Pit." Rubini and Hyde have also relied on a number of silent partners with deep pockets and connections. Chief among them, perhaps, is Senator Ted Stevens.

Rubini and Hyde's relationship with the senator has also arguably created a problem of perception. Some critics wonder whether Rubini and Hyde, who have benefited from government contracts, have also benefited from their business relationship with a federal official who holds the government's purse strings - a suggestion that Rubini flatly denies.

Yet Stevens, who chairs the Senate Appropriations Committee, one of the most powerful positions in Congress, apparently knows a good investment when he sees one. In 1997, he invested fifty thousand dollars in JLS Properties, another company owned by Rubini, Hyde and Stuart Bond, an Anchorage commercial broker, said Melanie Alvord, a Stevens spokeswoman.

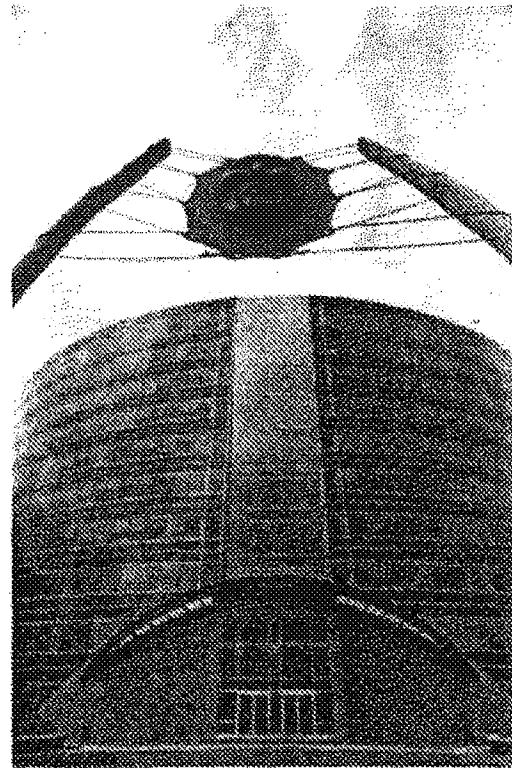
Stevens' investment grew at an astounding rate. In his 2002 financial disclosure statement, which he is required to file, he says his original JLS stake is now worth between seven hundred and fifty thousand dollars and 1.5 million dollars, a figure that Leonard Hyde confirms. That's at least a fourteen hundred percent increase in six years. (By comparison, the value of an average Anchorage home has increased by between six and ten percent per year in the last seven years.)

Stevens' investment with Rubini and Hyde is now divided among properties that they own. They are scattered across Anchorage and are worth more than thirty-eight million dollars, according to the Anchorage Assessor's office.

The value of Stevens' stake is harder to pin down, as his office and disclosure statement only give a range. Still, his money apparently helped Rubini and Hyde snap up the Airport Business Park on International Airport Road, as well as a former midtown trailer court where JL Properties recently built the ten-story office tower that it leases to Arctic Slope Regional Corporation, an Alaska Native corporation.

Stevens, who has been a champion of Native corporations in Congress, has done very well by JL in return.

Stevens, says Rubini, is "the most passive, limited partner... t the perfect partner." But asked about what at least could be the appearance of a conflict of interest, with Stevens helping fund a company that among other things is a Native corporation's landlord, Rubini said Stevens did not necessarily need to know in advance how his money would be used. But, said Rubini, "we asked him and he said it was fine."



As JL Properties has raised its profile in Alaska, smaller developers have griped that Rubini and Hyde - and their highly-placed investor - appear to have benefited from bids on federal projects because Stevens is on their side. None of the critics cared to comment for the record and none offered anything more than their suspicions.

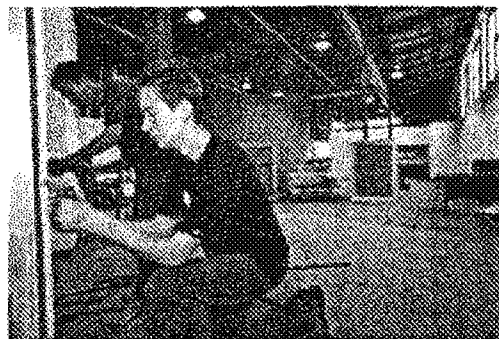
Rubini, Hyde and Stevens say it's nonsense. "The joke of it is that basically nothing we do has anything to do with government stuff," Rubini said.

But in the last few years, JL Properties landed hundreds of millions of dollars in federal contracts between two projects: the National Park Service building downtown, which JL owns and leases to the federal agency, and a massive deal to privatize housing on Elmendorf.

Rubini and a spokeswoman for Stevens say the senator had no role in landing those plums. That's echoed by JL's principal competitor, Mark Pfeffer, a big Anchorage developer who owns City Hall. Pfeffer said he doesn't believe Stevens has helped JL other than by being a minor investor. Rubini and Hyde, he said, are "very high-quality people."

In the early 1990s, Rubini and Hyde were among a small group of developers and real estate brokers buying up cheap property left over from the Eighties recession. Collectively, these developers were known as bottom-feeders - people who survived the crash and still had money to invest. Most of them were from Outside; places like Seattle and Hawaii and had been unaffected by the state's recession. Rubini and Hyde were two locals trying to get in on the action.

"When we got started, we didn't have a lot of money," Rubini recalled. "The trick was to get money together. We reached out to people in the state that I'd known for years and assembled money to make transactions happen."



Rubini and Hyde cobbled together investors and formed dozens of small partnerships and limited liability companies. Stevens bought a stake in one, JLS Properties, a limited liability company. Rubini and Hyde have often set up such "LLCs" for specific projects or businesses. It's a popular tool for real estate developers, who tend to take risks. It can shield a developer's other businesses and assets if the company fails.

Rubini and Hyde generally won't discuss their partners and investors, but a few are known. They seem to be an odd mix of personalities, from Stevens to Joe Brotherton, an on-and-off partner from Seattle who came to Alaska to bottom-feed after the recession.

Brotherton and Rubini met in the early 1990s while going up against each other on an apartment deal, Rubini said. The two took a run around Lake Hood, Rubini recalled, "and we decided it would be more fun running together and hanging out than competing."

When Brotherton is visiting in Anchorage, you can sometimes find him at Bernie's Bungalow Lounge, downtown. He's middle-aged but doesn't look or act it. His Anchorage apartment - the one that Rubini calls "The Love Pit" - is an unusual bachelor pad. In addition to the small basketball court, it has walls covered in doodles by Brotherton's acquaintances. When Brotherton returned a call last week asking about Rubini, he left this message:

"Hey, it's Joe Brotherton getting back to you... I'm on Orcas Island [in the San Juan Islands], where I just bought a really cool resort, a crazy hippie resort. You ought to come down and we'll give you the full tour." (Rubini went in on the resort with Brotherton, though he says "resort" is definitely stretching the word.)

As Rubini's friendship blossomed with Brotherton in the 1990s, he was making inroads with Stevens' family. He says family members invested in some of his projects, which led Rubini to hitting up the powerful senator for a deal in the late 1990s.

The forty-eight-year-old Rubini is a private man who seems to regard an interview like a weak investment. For two years he refused to sit down and discuss his company's history. It wasn't until last week that he agreed to talk, hesitantly addressing questions about Ted Stevens' involvement.

Rubini came to his sparse office downtown, near the state courthouse, just after ten on a Monday morning. He wore a ball cap, blue jeans and a blue dress shirt. As he sat at his desk, he played with a foam brain shaped like a football. He doesn't like to talk about his companies, he said, because, "One, it's no one's business. Two, it's just the way I'd rather do things."

In 1997, Rubini approached Stevens, asking him if he would "like to invest a little bit of money" in a company he started, Rubini said: JLS Properties. It was a small partnership between Rubini, Hyde and Stuart Bond, the prominent commercial real estate broker in Anchorage. The plan was for JLS to buy a grab bag of real estate, some residential, some commercial. The partners had to buy all the properties under the deal, but they were mainly interested in the Airport Business Park in Anchorage. They sold off the rest, Rubini and Hyde said.

A couple of years later, Rubini and Hyde wanted to buy a midtown trailer court to make room for a ten-story office tower that would ultimately become the headquarters of the Arctic Slope Regional Corporation. They rolled over money earned from the earlier sell-off to help pay for the land. According to Stevens' disclosure statements, his stake in the deal at that point was worth between a hundred and fifteen thousand dollars and three hundred thousand dollars. This year, he disclosed that the same stake was worth between half a million and a million dollars.

The partners evicted the trailer court residents and built what may well be the most striking office building to go up in Anchorage in more than a decade. Arctic Slope Regional Corporation got a twenty-year lease from JL Properties. Few people knew at the time that Stevens had a role in the project. Before the big building, many of JL Properties' doings flew under the radar - the way Rubini likes it - because they used partnerships and companies that didn't always carry the JL Properties name. The new building got a lot of attention, and for many Anchorage residents it was their first glimpse of the giant, quiet developer.

As plans were being made for the office tower, Rubini was busy assembling a developer's A-Team. It included two key people he lured from the Alaska Industrial Development and Export Authority (AIEDA), a state agency charged with sparking development and creating jobs.

Rubini has worked as a lawyer for AIEDA on and off over the years. JL Properties does not do any work with AIEDA because of that relationship, he says. But in 2000, that didn't stop him from hiring the agency's executive director, Randy Simmons. Keith Laufer, another top AIEDA official, came to JL Properties soon after, just in time for another round of big projects.

In the late 1990s, Rubini and his partners embarked on what he says was one of the biggest private real estate deals in Alaska history. At the time, military bases nationwide were suffering from housing shortages. Many apartments and homes were in disrepair. This was especially true at Elmendorf Air Force Base, in Anchorage.

The government began turning to private contractors to renovate old apartments and build new ones on some bases. The military would provide the tenants and private companies would serve as landlords. The hope was that the arrangement would save the government money and raise the quality of housing quickly.

Stevens was a fierce champion of Alaska's military reservations, at a time when base closures rippled across the country. He supported privatizing housing on Alaska's military forts and bases, including Elmendorf, said Melanie Alvord, his spokeswoman. "We knew that if you had the privatization of housing, it would be a mark against closing the base," she said, "because the government would have to buy out the contract."

Rubini saw an opportunity at Elmendorf, but there was one hurdle: Nearly all the military housing contracts had gone to big real estate companies. Still, in 2001, the government awarded JL Properties and a national partner a whopping four-hundred-million-dollar, fifty-year contract to handle Elmendorf's housing.

Alvord said Stevens had no role in JL Properties' successful bid. Rubini and his partner, Leonard Hyde, said an army of government officials reviewed their contract and decided they offered the best deal. Any allegations to the contrary "are just garbage," Rubini said.

Rubini says the same is true for another federal project, a new building downtown that JL Properties constructed for the National Park Service. Mark Pfeffer, JL Properties' competitor, also bid on that project, and concurs that Rubini and Hyde "won it fair and square."

After the National Park Service bid was awarded, however, Rubini ran into controversy. He wanted the city to grant a property tax break on the building. He and Hyde said they made the request because, among other things, late in the contract process, the federal government asked for a fifty-foot anti-terrorism setback around the building, which they said drove up the cost by about five hundred thousand dollars.

But Rubini quickly changed his mind. Last year, he told the Anchorage Daily News that he withdrew his request for a tax break because he caught a lot of flak, much of it "driven by competitors who wish they won the bid."

JL Properties is again busy building, although you probably haven't heard about its current projects. The most interesting one is happening in East Anchorage. Rubini and Hyde said they recently bought the depressed

Boniface Mall shopping center, at Northern Lights Boulevard and Boniface Parkway. The mall was wounded in 1999 when Safeway bought Carrs, the Alaska grocery chain. That left a huge hole at one end of the mall. The fledgling Alaska Marketplace took over Safeway's old store, but it went bust two years later.

Now, Highland Tech High, a charter school in the Anchorage School District, has moved into the old grocery store. It may seem like an odd fit, but it works, at least aesthetically. When you're inside the school, it's easy to forget you're standing next to an old shopping center. The school's open rooms, curved walls and wild colors give it the feel of a Seattle high-tech company. A school brochure says it's been designed as a "high tech learning environment."

Just about the time the school opens in September, Rubini and Hyde hope to break ground on another project. They're building another office tower next to the upscale tower they recently erected in Midtown for Arctic Slope. The new building will be between four and seven stories, Rubini said. An anchor tenant has signed up for space, but he declined to name the company.

During Rubini's rise in Alaska real estate, he never stopped practicing law. In fact, he was involved in some big cases, such as representing the Alaska Civil Liberties Union in its long battle to challenge a campaign-finance reform law. But these days developing takes up most of his time. His friend Joe Brotherton, of Seattle, believes Rubini is so good at it that he's outgrown Alaska.

"I tease Jon about doing too much stuff up there," Brotherton said, "about being a big bird in a small cage. But now he has done so much stuff that he dominates the cage. He owns the cage."

And the owner of the cage has done just fine by Senator Ted Stevens.

Contact Tony Hopfinger at (907) 644-5406 or tony@anchoragepress.com.

Photos by Matt Hage

except Jon Rubini photo courtesy Alaska Journal of Commerce

[Click here for more articles by Tony Hopfinger!](#)

Anchorage Press articles, commentary, news, reviews, features and calendar are copyrighted by:
Anchorage Publishing, Inc. 540 E. 5th Avenue Anchorage, Alaska 99501.
For information call 907-561-7737.

FBI - Stevens-3277

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: 9/14/55

FROM : Mr. E. D. Mason

SUBJECT: CONFERENCE OF U.S. ATTORNEYS
SUMMARY OF INFORMATION ON UNITED STATES ATTORNEYS;
UNITED STATES ATTORNEYS' CONFERENCE, OCTOBER 5-7, 1955

Tolson	_____
Boardman	_____
Nichols	_____
Belmont	_____
Harbo	_____
Mohr	_____
Parsons	_____
Rosen	_____
Tamm	_____
Sizoo	_____
Winterrowd	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

In anticipation of the U. S. Attorneys' Conference to be held at Washington, D. C., October 5-7, 1955 each SAC was instructed to contact U. S. Attorneys within his division to request suggestions for improving the Bureau's services and to ascertain if any problems exist. Most of the U. S. Attorneys expressed complete satisfaction with Bureau services and offered no suggestions or criticisms.

One U. S. Attorney, Hugh K. Martin, Southern District of Ohio, was not contacted due to his most unsatisfactory attitude toward the Bureau as shown in a case occurring in July, 1954 which involved the assault of 2 Bureau Agents by a truck driver.

The attached material summarizes the suggestions which were made and the problems brought up, as well as difficulties experienced with certain U. S. Attorneys since the time of the 1954 U. S. Attorneys' Conference held October 13-15, 1954. For convenience, the attached material is divided into two sections as follows:

(1) **SUGGESTIONS AND PROBLEMS** - Individual write-up on each U. S. Attorney who made a suggestion or presented a problem.

(2) **RECENT DIFFICULTIES** - Individual write-up on each U. S. Attorney with whom the Bureau has had recent difficulties together with data on certain U. S. Attorneys whose past difficulties warrant a summary for current information.

Enclosure

AGG:njs

(6)

cc: Mr. Nichols
Mr. Boardman
Mr. Rosen
Mr. Belmont

RECORDED - 75

INDEXED - 75

811-X3

94-1-10873-794
20 OCT 12 1955

FBI - Stevens-3278

68 OCT 20 1955

Memo to Mr. Tolson

RECOMMENDATION:

None ... Informative, for use by Bureau officials during the forthcoming U. S. Attorneys' Conference.

[Handwritten initials]

[Handwritten initials]

INDEX

<u>NAME</u>	<u>PAGE</u>
X BLISSARD, LOUIS B. (Honolulu)	7
X BURKE, LLOYD H. (San Francisco)	6
X CANARY, SUMNER (Cleveland)	2
X CYR, KREST (Butte)	2
X HAUBERG, ROBERT E. (Jackson)	1
X MARTIN, HUGH K. (Columbus) ^{OHIO}	7
X MORIARTY, CHARLES P. (Seattle)	1
X STANLEY, EDWIN M. (Greensboro, N. C.) ..	3
X STEVENS, THEODORE F. (Fairbanks, Alaska) ..	9
X STRICKLER, JOHN (Roanoke, Va.)	8
X TEKEN, ROBERT (Chicago)	4
X WHITCOMB, LOUIS G. (Burlington, Vt.)	4
X WINE, RUSSELL B. (San Antonio)	5

FBI - Stevens-3280

94-1-10873-717
ENCLOSURE

SECTION 1
SUGGESTIONS AND PROBLEMS

FBI - Stevens-3281

~~ENCLOSURE~~

Charles P. Moriarty
United States Attorney
Western District of Washington
Seattle, Washington

U. S. Attorney Charles P. Moriarty was contacted by SAC Auerbach, Seattle, during August, 1955. Mr. Moriarty offered no criticism but made the suggestion that U. S. Attorneys be supplied with a list of the abbreviations most frequently used in FBI reports. He explained that new U. S. Attorneys as well as new Assistant U. S. Attorneys have some difficulty in the beginning in determining the meaning of Bureau abbreviations and code words, such as "WSTA" (White Slave Traffic Act), "was." (with aliases) and similar abbreviations. By Bureau letter 8/22/55 USA Moriarty was thanked for submitting this suggestion and was advised the Bureau had furnished to the Deputy Attorney General a proposed revision for the U. S. Attorneys' Manual which, if used, will provide in the Manual a list of the abbreviations most commonly used in FBI reports together with their full meanings. The Deputy Attorney General has advised this material will be incorporated in the next revision of the Manual.

Robert E. Hauberg
United States Attorney
Southern District of Mississippi
Jackson, Mississippi

U. S. Attorney Hauberg was contacted by SAC, New Orleans on 9/1/55 at which time he stated his only suggestion was that the FBI designate a clerk or a stenographer to be assigned to the Jackson, Mississippi Resident Agency. He pointed out that when complainants come to the Resident Agency and find no investigative personnel present, they usually come to the U. S. Attorney's Office to give their information and complaint. The SAC explained to USA Hauberg that Jackson, Mississippi is not a regular FBI Office but is only a Resident Agency, and that it is not practical to assign clerical and stenographic personnel to the Resident Agency, and that Agent personnel must necessarily be away from the Office the greater part of the time. Mr. Hauberg indicated he understands and appreciates the Bureau's position in this matter.

Krest Cyr
United States Attorney
District of Montana
Butte, Montana

U. S. Attorney Krest Cyr was contacted by SAC, Butte on 8/27/55 at which time he offered no criticism of the Bureau's work and expressed high praise for the Bureau in all its operations. Mr. Cyr suggested that, if possible, the Butte Office furnish him with 2 copies of each investigative report where the case is being handled by the Assistant U. S. Attorney at Billings, Montana. He explained that when only 1 copy of a report is received, it is necessary to forward it to the AUSA at Billings, thus leaving Mr. Cyr's file without a copy of the report. On 9/15/55 the Executives Conference unanimously recommended the Butte Office be authorized to comply with Mr. Cyr's request by furnishing him an extra copy of each investigative report prepared locally where the case is being handled by the Assistant U. S. Attorney at Billings, Montana.

Sumner Canary
United States Attorney
Northern District of Ohio
Cleveland, Ohio

When contacted by SAC, Cleveland on August 8, 1955, USA Sumner Canary was extremely complimentary regarding the Bureau. His only suggestion or thought expressed concerning the Bureau's work was that he felt Bureau Agents were wasting time in cases involving Ascertaining Financial Ability when they from time to time follow the status of these cases after the investigation has been completed. He noted that in many of

these cases the litigation extends over a long period of time, and that it appeared to him Agents were wasting time when they check the status of the litigation from time to time. SAC, Cleveland explained the Bureau's policy in these cases and it was noted that all leads to contact the U. S. Attorney's Office in these cases (at Cleveland) are handled by one Agent which helps to minimize the traffic in the U. S. Attorney's Office. SAC, Cleveland regards USA Canary as extremely friendly and cooperative but very businesslike in all official matters. He is described as a good administrator and an excellent trial lawyer.

Edwin M. Stanley
United States Attorney
Middle District of North Carolina
Greensboro, North Carolina

USA Stanley was contacted by SAC, Charlotte on 8/29/55 at which time he was very complimentary of the Bureau's services. He had no problems or suggestions and mentioned only 1 item which he did not fully understand, namely that occasionally his office receives FBI reports from which it is not immediately apparent as to the reason the reports have been furnished to him. The Chief Clerk in USA Stanley's Office sometimes has difficulty in determining how to list the Bureau case in the report which the U. S. Attorney is required to submit to the Department monthly on all pending cases. SAC, Charlotte reviewed with Mr. Stanley the Bureau's policy as to when copies of reports are to be furnished to the U. S. Attorney. Mr. Stanley expressed appreciation for the explanation and stated he no longer had any question regarding the purpose for which his office had been furnished these reports. The SAC examined the specific reports mentioned by Mr. Stanley's Chief Clerk as further explanation of this procedure

Robert Tieken
United States Attorney
Northern District of Illinois
Chicago, Illinois

When contacted by SAC Hostetter, Chicago on 9/8/55 USA Tieken stated he had no criticisms or complaints about FBI operations and no observations as to how the Bureau's services could be improved. He presented the suggestion that the FBI should institute investigations within its jurisdiction without waiting for a complaint indicating that a violation had actually occurred. For example, in Labor Management Relations Act cases he felt the Bureau should go out looking for violations instead of waiting until representatives of business or the unions, who usually are involved, made a complaint. Mr. Tieken previously has expressed the desire to have Bureau Agents assigned to his office to investigate any matter he wanted investigated. Past experiences with him have shown that he frequently wants to engage in a "fishing expedition" by investigating known hoodlums with the hope that a Federal violation will be uncovered. Mr. Tieken's suggestion is not worthy of consideration since it has been previously explained to him on several occasions that the FBI must have some evidence a violation has occurred before it can engage in extensive investigative activities.

Louis G. Whitcomb
United States Attorney
District of Vermont
Burlington, Vermont

USA Whitcomb was contacted by SAC, Albany on 8/12/55 at which time he offered no criticism or suggestion concerning the work of the FBI. Mr. Whitcomb has recently stated to SAC, Albany that he thought the Federal Government should be able to handle a situation calling for the service of Federal process without the necessity for calling in state police to aid in such matters. He apparently had in mind a case wherein the U. S. Marshal attempted to serve a Federal

warrant ordering one [] to be committed to a hospital for examination and upon being rebuffed and held off at gun point, the U. S. Marshal called in state police to assist. Although it was a Bureau case involved, Bureau Agents were not concerned in the efforts to serve the process and much publicity was given to the efforts of the police which were described as a "3-ring circus." SAC, Albany feels that USA Whitcomb may discuss this problem at the forthcoming U. S. Attorneys' Conference. (Bufile 25-382156)

b6
b7c

Russell B. Wine
United States Attorney
Western District of Texas
San Antonio, Texas

When contacted by SAC, San Antonio in connection with the current program to contact all U. S. Attorneys, USA Wine offered no suggestions or problems. In a recent discussion with the Assistant Director, Training and Inspection Division, while attending the indoctrination course for newly appointed U. S. Attorneys, Mr. Wine indicated that he did not fully understand under what circumstances the Bureau would use the Polygraph in its investigations. He was under the impression that in a murder case occurring on a Government Reservation in his district, Bureau Agents had refused to utilize the Polygraph. The matter was checked into and it was found that a Bureau representative was sent from Washington to San Antonio for the purpose of giving a lie detector test to the subject but, that upon arriving there, the subject was found to be suffering from nervous tension, excitement and a rapid pulse and refused to sit in a chair for the purpose of taking the test. Under the circumstances it was apparent the test would be of no value. All of this was known to the Assistant U. S. Attorney handling the case. This matter was fully discussed with Mr. Wine in order that he would understand the Bureau's actions in this particular case and its policy in all similar matters.

SECTION-2

*RECENT DIFFICULTIES WITH
UNITED STATES ATTORNEYS*

Lloyd H. Burke
United States Attorney
Northern District of California
San Francisco, California

It will be recalled that while attending the 1954 U. S. Attorneys' Conference, USA Burke objected to the Bureau policy requiring that Agents not sit in on all interviews of witnesses made by Assistant U. S. Attorneys without first determining the necessity. He brought the matter up before the entire conference but found other U. S. Attorneys not in sympathy with his views. Also, during the conference he mentioned that Bureau policies are strict and are not designed to give local law enforcement agencies a feeling of being a part of law enforcement. Also, he remarked that some local authorities feel the Bureau is trying to get statistics in bank robbery cases by filing on bank robbers apprehended by local police. He was unable to substantiate any of his charges with specific facts. Following the conference he indicated to SAC, San Francisco that he does not like Bureau policy in certain regards. We also learned that a file clerk in Mr. Burke's office had been depositing old FBI reports in trash barrels which were to be emptied at a city dump. As a result of the several incidents indicating USA Burke is hostile to Bureau policy and procedures, the San Francisco Office was instructed 10/22/54 that the SAC or ASAC must handle all contacts with Mr. Burke and that Agents may personally contact only Assistant U. S. Attorneys in Mr. Burke's office. This procedure is still in effect. The San Francisco Office has not reported any recent instances of difficulty with USA Burke; however, it is noted that apparently due to Burke's previous experience in a District Attorney's Office in California, he has requested that a question and answer statement be taken by Bureau Agents in important cases rather than, or in addition to, the regular narrative type statement usually taken by Bureau Agents.

SAC, San Francisco advises that in instances of important violations, Agents of that Office have been able to comply with USA Burke's request in this regard. When contacted on 8/22/55 Mr. Burke stated he had no suggestion to offer and he furnished no criticisms, although he did mention the matters set out above which he brought up at last year's U. S. Attorneys' Conference.

Hugh K. Martin
United States Attorney
Southern District of Ohio
Columbus, Ohio

The Cincinnati Office has reported no recent instances of difficulty with USA Martin, although the Office is under instructions to deal with Martin on a formal basis making all presentations of cases in writing. It will be recalled that USA Martin in July, 1954 consented to prosecute a truck driver who had threatened 2 Bureau Agents, but Martin stated he was doing so, "only to save face of the FBI." His attitude was far from objective and the Bureau found it necessary to inform the Department of Martin's failure to back up our Agents. The SAC at Cincinnati was instructed 9/1/55 that he should not contact USA Martin in connection with the current program to obtain suggestions from U. S. Attorneys. There has been no indication of a change in Martin's attitude.

Louis B. Blissard
United States Attorney
Territory of Hawaii
Honolulu, Hawaii

The Bureau has experienced no difficulties with USA Blissard personally and when contacted by SAC, Honolulu 9/6/55 Mr. Blissard had no suggestions for the improvement of FBI services and offered no criticism. He did mention, however, that when he attends the forthcoming U. S. Attorneys' Conference he

plans to confer with Deputy Attorney General William P. Rogers concerning the fact that Bureau Agents at Honolulu do not contact Assistant U. S. Attorney [redacted]. It will be recalled that AUSA [redacted] alleged to Inspector [redacted] early in March, 1955 that he had been misquoted in 2 or 3 FBI reports. This matter was gone into thoroughly and resulted in [redacted] stating that the instances he alleged did not occur and were the result of [redacted] faulty memory. By letter 3/8/55 the Deputy Attorney General was advised of the matter and that instructions had been issued that our Agents were to have no oral dealings with [redacted] in the future. Mr. Blissard stated he feels this is an awkward situation and that something should be done so that Agents can contact [redacted] when USA Blissard is absent and [redacted] is acting as head of the U. S. Attorney's Office.

b6
b7C

John Strickler
United States Attorney
Western District of Virginia
Roanoke, Virginia

When contacted by SAC, Richmond on 8/29/55 USA Strickler had no suggestions regarding the Bureau's services and was very commendatory concerning the work of Agents in an election law case captioned "Luther Compton, et al, Election Laws." This was a very involved case and resulted in a number of persons being convicted after a jury trial. Early in this case Mr. Strickler became concerned and wrote the Department suggesting our Agents should have "pressed" certain interviews. When contacted on the matter he was surprised the Department had furnished the Bureau a copy of his letter and was unable to furnish any suggestions for further investigation of the case. This matter indicated to SAC, Richmond that Strickler has a tendency to jump to conclusions, is extremely sensitive to criticism and may be inclined to make commendatory remarks while in the presence of Bureau personnel and critical remarks about us to other persons.

Theodore F. Stevens
United States Attorney
Fourth Division of Alaska
Fairbanks, Alaska

The Anchorage Office has not reported any difficulties with USA Stevens. It will be recalled that while he was attending the 1954 U. S. Attorneys' Conference, Mr. Stevens stated the FBI declined to participate in the investigation of a case where a criminal broke out of jail in Fairbanks, Alaska. This matter was thoroughly checked into and it was found the case was not one within our jurisdiction and it was apparent USA Stevens had spoken out of turn. This indicated a tendency on his part to be critical of the Bureau when he thinks no FBI representatives are present. As a result the Anchorage Office was instructed to be discreet and circumspect in dealings with Mr. Stevens. When contacted by SAC, Anchorage in connection with the current contact program, Mr. Stevens stated he had only a single problem and that was to square himself with the Bureau as a result of erroneous statements he made about the Bureau during the last U. S. Attorneys' Conference. He remarked he is exceptionally well-pleased with the work of the Bureau and appreciates the fine workable friendly relationship. The case Mr. Stevens had wanted our Anchorage Office to handle involved one [redacted] who escaped from the jail at Fairbanks, Alaska during February, 1954 while waiting trial on a local territorial charge of larceny.

b6
b7C

Complaint Form

b2
b6
b7C
b7DNOTE: Hand print names legibly; handwriting satisfactory for remainder.
Indices: ☐ Negative ☐ See below

Subject's name and aliases [REDACTED]		Character of case Public Corruption 194	
Complainant SA [REDACTED]		Complaint received by SA [REDACTED]	
Field Office Anchorage		Telephone [REDACTED]	
<input type="checkbox"/> Personal <input checked="" type="checkbox"/> Telephonic		Date 09/03/08 Time 10:57 am	
Address of Subject		Complainant's DOB [REDACTED] Sex [REDACTED]	
Subject's Description	Race	<input type="checkbox"/> Male	Height
	Age	<input type="checkbox"/> Female	Weight
	Scars, marks and other data		
Employer		Address	
Vehicle Description		Telephone	
Facts of Complaint			
PROTECT SOURCE			
<p>Complainant is the [REDACTED] She stated she has information regarding [REDACTED] voting on "something" as a favor for Senator TED STEVENS, and [REDACTED] received a [REDACTED] in exchange for his vote. She wanted to know if the FBI was looking for [REDACTED] STEVENS' Girdwood residence for awhile. [REDACTED] is currently living in [REDACTED]</p>			
(copy already pasted to SA [REDACTED])		Do not write in this space. 1944-AN-13620-Tstevens; 302 AN 58-0; 71	
FBI - Stevens-3292		b6 b7C b7D	
SA [REDACTED] (Complaint received by)		BLOCK STAMP [REDACTED]	

Hanson, [REDACTED]

AN 58-0, 71

Complainant was not fully vetted at this time and should be further interviewed. She did state she did not want her daughter or anyone else to be aware she was speaking with the FBI.

PROTECT SOURCE

WILLIAM V. ROTH, JR., DEL., CHA.
 CHARLES H. PERCY, ILL.
 TED STEVENS, ALASKA
 CHARLES MCC. MATHIAS, JR., MD.
 JOHN C. DANFORTH, MO.
 WILLIAM S. COHEN, MAINE
 DAVID DURENBERGER, MINN.
 MACK MATTINGLY, GA.
 WARREN B. RUDMAN, N.H.

THOMAS J. HART, ILL.
 HENRY M. JACKSON, WASH.
 LAWTON CHILES, FLA.
 SAM NUNN, GA.
 JOHN GLENN, OHIO
 JIM SASSER, TENN.
 DAVID PRYOR, ARK.
 CARL LEVIN, MICH.

JOAN M. MC ENTEE, STAFF DIRECTOR

SUBCOMMITTEE
 TED STEVENS, ALASKA, CHAIRMAN
 CHARLES MCC. MATHIAS, JR., MD.
 WAYNE A. SCHLEY, STAFF DIRECTOR

DAVID PRYOR, ARK.

United States Senate

FEDERAL GOVERNMENT

COMMITTEE ON
 GOVERNMENTAL AFFAIRS
 SUBCOMMITTEE ON
 CIVIL SERVICE, POST OFFICE, AND
 GENERAL SERVICES
 WASHINGTON, D.C. 20510

Ted Stevens

September 1, 1981

Alaska

Exec AD Inv. _____
 Exec AD Adm. _____
 Exec AD LES _____
 Asst. Dir.:
 Adm. Servs. _____
 Crim. Inv. _____
 Ident. _____
 Intell. _____
 Laboratory _____
 Legol Coun. _____
 Plan. & Insp. _____
 Rec. Mgnt. _____
 Tech. Servs. _____
 Training _____
 Public Affs. Off. _____
 Telephone Rm. _____
 Director's Sec'y _____

FBI/DOJ

Honorable William H. Webster
 Director
 Federal Bureau of Investigation
 J. Edgar Hoover Building
 Washington, D. C. 20535

Dear Bill:

Senate

The Subcommittee on Civil Service, Post Office, and General Services, Senate Committee on Governmental Affairs Committee will hold a hearing on Monday, September 14, 1981 at 9:30 a.m. in room 3302, Dirksen Senate Office Building.

The purpose of this hearing is to consider what recent press reports have termed "the Government Brain Drain." Specifically, we wish to explore the existence of problems relating to recruitment and retention of senior executives, the causes of such problems and feasible solutions. Because of your unique position as the head of an executive agency, we would be very interested in your comments.

If you wish to testify, please contact Pat Halcomb, the Subcommittee Chief Clerk at 224-2254, with the names of those individuals who may be accompanying you and whether or not you will be submitting written testimony and/or statements to be handed out at the hearing. If you have written testimony, we ask that 125 copies be delivered to the Subcommittee at least 24 hours in advance of the hearing.

If you would prefer, we will include your comments in the printed hearing.

With best wishes,

Cordially,

Ted Stevens
 TED STEVENS
 Chairman
Alaska

NOV 16 1981

Off. of Cong. and Sub. Affs.

Copy made for Tele. Rm.
 9/3/81

FBI - Stevens-3294

EXP. PROC. #40
 11/13/81
 SEP 3 1981

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description Unrecorded Serial

Total Deleted Page(s) - 55

Page 11 ~ Duplicate

Page 2 ~ Duplicate

Page 3 ~ Duplicate

Page 4 ~ Duplicate

Page 5 ~ Duplicate

Dupiiicate
Duplicate
Qupiiicate
Dupiicate
Dupéicate

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: 12/27/55

FROM : SAC, Anchorage

SUBJECT: WIRE TAPPING

Mr. Tolson	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Mason	_____
Mr. Mohr	_____
Mr. Winterrowd	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

Mr. THEODORE F. STEVENS, U. S. Attorney for the Fourth Division of Alaska at Fairbanks, furnished the Resident Agency there with the enclosed copy of a letter dated December 13, 1955, which he addressed to the Chairman, Committee on Bill of Rights, Alaska Constitutional Convention, College, Alaska.

It has occurred to me that the Bureau would be interested in Mr. STEVENS' views and comments as expressed in this communication.

Since the enclosed copy is the only one received in this office, and in view of the condition of our photostat equipment, it is requested the Bureau have a photostat made of the enclosure and return for the files of this office.

2 - Bureau (Enclosure 1)
1 - Anchorage
RBM/mer
(3)

ENCL

RECORDED - 19

JAN 13 1956

INDEXED

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 6-7-90 BY 2781 JK/8/2

FBI - Stevens-3421

FBI - Stevens-3422.

cc - Mr. Donohue

SAC, Anchorage

January 9, 1956

62-12114-3015

Director, FBI

RECORDED - 10

WIRE TAPPING

Reurlet dated December 27, 1955.

In accordance with your request, there is attached a Photostat of the copy of a letter dated December 13, 1955, from U.S. Attorney Stevens to the Chairman, Committee on Bill of Rights, Alaska Constitutional Convention, College, Alaska.

Enclosure

JDD:ojk
(4)

FBI - Stevens-3423

Tolson _____
Boardman _____
Nichols _____
Belmont _____
Harbo _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
 Sizoo _____
Winterrowd _____
Tele. Room _____
Holloman _____
Gandy _____

COMM - FBI
JAN 9 1956
MAILED 31

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6-7-90 BY 2781 TJS/BJP

305, 263

68 JAN 17 1956

December 13, 1955

Chairman
Committee on Bill of Rights
Alaska Constitutional Convention
College, Alaska

Dear Mr. Chairman:

It has come to my attention that your committee is considering a proposal which would prohibit wire tapping or the use of similar scientific instruments. I desire to register with you my personal opinion in regard to this proposal. I am the United States Attorney for the Fourth Division and have served as such since September 1, 1953.

Due to the limited time involved since I heard of the wire tapping proposal, I have not been able to research the matter extensively to determine the situation in regard to other constitutions. To my knowledge the only constitution which contains a provision regarding wire tapping is that of the State of New York. Most of the States have statutes which at least indicate a policy opposed to wire tapping. However, a majority of the States which prohibit wire tapping would permit evidence secured by wire tapping to be used in Court.

I believe that the Constitution of Alaska should contain no provision pertaining to wire tapping because the subject is one for legislation and not constitutional prohibition, it is a subject which may be misunderstood and as a result of such misunderstanding, law enforcement agencies could be denied the right to use scientific investigative apparatus under proper safeguards; finally, a specific prohibition would be unworkable unless it contained lengthy exceptions.

The insertion of a wire tapping clause in the Bill of Rights would necessarily leave the inference that the use of scientific apparatus for "eavesdropping," is a violation of a "right." There is no doubt that invasion of privacy is repugnant to all Americans, however, I hold to the opinion that the "right" involved is superior to the right of the public to be protected from organized crime and certain violent crimes such as kidnapping and extortion. Even if the constitution prohibited wire tapping and related devices for securing information, it would be admissible in the courts which is obtained by inference, eavesdropping at a key hole or a window, by an officer concealed in a closet, and perhaps by a transmitter concealed on an agent's person.

62-12114-2015
ENCLOSURE

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
DEC 5 1955	
FBI - ALBUQUERQUE	

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 8-1-90 BY SP1/TLS/ajp

305-763

FBI - Stevens-3424

December 13, 1955

All such means of gathering information are against normal usual standards, but are still necessary protection methods. Also a witness could testify to every word of conversation which was carried on over the telephone even though his memory might be defective while the exact recording of his intercepted conversation would not be admissible. In other words, placing a constitutional prohibition against the use of wire tapping and the evidence secured thereby would not really prevent eavesdropping or the use of evidence secured by such means.

I do not want to leave the impression with you that I do not realize that wire tapping can be used in an abusive manner. In the new State of Alaska I hope that wire tapping and the discovery and use of evidence secured by any means of eavesdropping will be regulated. This subject can be adequately covered by legislation which is capable of being amended to meet new developments and new emergencies. Today we are dealing with telephones; tomorrow we will be dealing with telephonic-televisions and unknown forms of communications. Because of the geographic location of Alaska, a great deal of the communication by the criminals will of necessity be carried on over the telephone and whatever instruments take its place in the future. To give criminals the unfettered right to use scientific means of communication and to deny law enforcement agencies the right to use equally scientific means to combat the use of such communication to me seems to place an unwarranted burden upon those to whom you will entrust the safety of your lives, your children's lives, and all of your property. The late Mr. Justice Jackson, when he was Attorney General, observed that the decisions of the Supreme Court of the United States, regarding the use of wire tap evidence secured in violation of Section 605 of the Federal Communications Act, resulted in protecting those engaged in incriminating conversations. Mr. Justice Jackson stated:

"Criminals today have the free run of our communications stems, but the law enforcement officers are denied even carefully restricted power to confront the criminal with telephonic and telegraphic footprints."

Too many people believe that wire tapping can only be used for the purpose of harming innocent persons. When in attendance at the meeting of public prosecutors held in New York City this past summer, I was struck by a situation which developed in New York at the time of the Rosenberg case. All evidence had led to one particular house which, I am sure, was known to be used by those in control of the white slave traffic. Pursuant to the New York Constitution and the statutes thereunder, an order permitting wire tapping was obtained and also a warrant for the arrest of certain individuals in the house. Officers were sent to the house and a monitor was placed on the telephone line. When the arrest was made one of the individuals in the house secured the use of the telephone

December 13, 1955

and immediately called Philadelphia to warn a member of their conspiracy. Because of the wire tap, the individual in Philadelphia was arrested before the conversation had ended.

In an extortion or kidnapping case, the victim at first seeks the advice and help of law enforcement agencies, but after the fear of reprisal sets in his main thought is to protect his loved ones or his own person, which, I am sure you will agree, is a human reaction. If a wire tap was available through legal channels, law enforcement agencies could help those victimized by these two heinous crimes to protect themselves. Professor Wigmore, whom we all know as an outstanding authority in the field of evidence, has presented arguments against the contention that wire tap evidence should be inadmissible because it is unethical and dirty business. His answer is:

"But so is likely to be all a reprehension of malefactors. Kicking a man in the stomach is 'dirty business', normally viewed, but if a gunman assaults you and you know enough of the French art of savatage to kick him in the stomach and thus save your life, is that dirty business for you?"

If this committee does insert in the Alaska Constitution a wire tapping clause, I would ask that you specifically except evidence secured by wire tapping and related means when the wire tap has been made with the approval of the Attorney General at the request of the District Attorney in the division in which the tap has been made.

This essentially has been the position of the Attorney General of the United States for the past 23 years. Wire tapping was generally considered illegal by the Department of Justice until 1931. Beginning in 1931, Attorney General Mitchell authorized the use of wire tapping. Wire tapping has been authorized by every Attorney General since that time. In 1940, Attorney General Jackson ordered that wire tapping no longer be used. However, later in the same year President Franklin D. Roosevelt, in a confidential memorandum to Attorney General Jackson, authorized the limited use of wire tapping. Thus, the subject of wire tapping, in my opinion, presents a nonpartisan issue.

It was President Roosevelt who first suggested that the control of wire tapping should be given to the Attorney General rather than to the Court. In the first place, in order to get a court order to secure a wire tap, a District Attorney would have to provide the court with sufficient information to justify such procedure. This in itself would be contrary to the best interests of the defendant in the event a criminal case was presented to the court at a later date. In addition, the interests of secrecy, uniformity, speed, and better supervision can be protected to a greater extent when only the approval of the Attorney General is required. If an application for a wire tap must be made to the court, in addition to the Judge, the evidence concerning the wire tap must be disclosed to a

Mr. Chairman

4

December 13, 1955

clerk, court reporter, stenographer, law clerk, the bailiff, and many others who are concerned with the operation of the courts. If wire tapping is to be permitted, it should be permitted in a manner which would require that control be exerted to protect the interests of innocent people who may be involved and the unwarranted release of information secured. Also, no evidence secured by the use of the wire tap should be released until an indictment is returned by a Grand Jury or similar body and the defendant is actually in Court.

There are other exceptions that I would like to present to you, but in the interests of conveying these thoughts to your committee I limit my comments to those above. Also, I would like to state that my opinions apply only to the criminal field. I do not believe there is an instance in which a wire tap or use of other eavesdropping devices can be justified for securing evidence for civil cases or for business competitors. Even in the criminal field, wire tapping should be authorized only in connection with those crimes which are the most heinous and against which the people can only be protected by use of such means.

Yours very truly,

THEODORE F. STEVENS
United States Attorney

Enclosures

FBI - Stevens-3427

IMPORTANT DECISIONS OF THE UNITED STATES SUPREME COURT CONCERNING
WIRE TAPPING AND WIRE TAPPING EVIDENCE

Olmstead v. U.S. (277 U.S. 438 (1929))

Nardone v. U.S. (302 U.S. 379 (1937))

Schwartz v. Texas (344 U.S. 199 (1952))

FBI - Stevens-3428

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/20/2005

To: Anchorage

From: Anchorage

Squad 3

Contact: DUSM [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] GDB

b2
b6
b7C
b7E

(U) Case ID #: ~~(S)~~ 315B-AN-13112 (Pending)

(U) Title: ~~(S)~~ [REDACTED]
IT -SUNNI-EXTREMIST,
OTHER THAN AL-QAEDA-TALIBAN

(U) Synopsis: ~~(S)~~ Investigation concerning a known associate of a main subject in [REDACTED]. Possible threat to United States Senator Ted Stevens and or his family by subject [REDACTED] Interview of [REDACTED]

(U) ~~(S)~~ Derived From: G-3
Declassify On: X1

(U) Details: (S) FBI Anchorage presently carries [REDACTED] upon [REDACTED] (315M-AN-13112 & 265A-AN-13398). Subject [REDACTED] is a known associate of [REDACTED] and has represented himself as a supporter of [REDACTED] an individual who is suspected of anti-American views and possible TALIBAN follower and supporter/member.

b2
b6
b7C
b7D
b7E

(U) ~~(S)~~ On October 27, 2003, Deputy United States Marshal [REDACTED] Special Agent [REDACTED] and Special Agent [REDACTED] Federal Bureau Of Investigation (FBI), (all members of the Anchorage Division Joint Terrorism Task Force (JTTF)) interviewed [REDACTED] protect identity); DOB [REDACTED] phone number [REDACTED] Anchorage, AK. [REDACTED] was advised the identity of the agents and the purpose of the interview. [REDACTED] provided the following information:

~~SECRET~~

FBI - Stevens-3429

~~SECRET~~

To: Anchorage From: Anchorage
(U) Re: ~~(S)~~ 315B-AN-13112, 01/20/2005

(U) [redacted] said she was married to [redacted] for approximately 10 years. [redacted] said she and [redacted] obtained a Dissolution of Marriage in the Anchorage Recording District.

b6
b7C
b7D

(U) [redacted] said [redacted] had been in the United States Marine Corps for approximately [redacted] and had been discharged with a less than Honorable Discharge for what she thought was not being able to conform to the military.

(U) [redacted] stated that [redacted] has never been committed to a mental hospital or any other institution for a mental defect or illness to the best of her knowledge. [redacted] did say in her opinion [redacted] is mentally ill and needs professional help. [redacted] further said she feels [redacted] was a danger to himself and others and that [redacted] always carried a knife hidden somewhere on his person. [redacted] opined that [redacted] seemed to be deteriorating in his mental state at an ever-increasing pace, becoming more delusional as time passes.

(U) [redacted] had three Domestic Violence Protective Orders against [redacted] in the past. [redacted] said she is in fear of [redacted]

(U) [redacted] said she had observed [redacted] use drugs in the past (marijuana), however she had no knowledge of him selling drugs.

(U) ~~(S)~~ [redacted] stated she knew a subject named [redacted] that was a friend of [redacted] and that they had been friends for about 10 years. [redacted] was shown a photo of [redacted] and she identified this person as the person she knew as [redacted]. [redacted] observed [redacted] give [redacted] a hat and a prayer rug. [redacted] indicated subject [redacted] is of the Moslem faith, however she does not believe [redacted] has converted to Islam. [redacted] indicated [redacted] has his own religion and explained that it is some combination of American Indian (Shaman) and other beliefs. [redacted] said [redacted] prayed before an altar he constructed in his residence and used the prayer rug given to him by [redacted]

b6
b7C
b7D

(U) ~~(S)~~ [redacted] said she knew [redacted] and [redacted] had met through a mutual friend named [redacted]

~~SECRET~~

~~SECRET~~

To: Anchorage From: Anchorage
(U) Re: ~~SECRET~~ 315B-AN-13112, 01/20/2005

(U) [] indicated that [] had a friend who was a mentor of his [] and that he brought [] into a group known to her as the "Alaska Airborne Rangers".

[] said this person was named RICHARD BOOKBINDER, AKA: SNOWLEOPARD. [] said as best as she could tell this

organization was some sort of a para-military group who wore camouflaged uniforms and had no contact direct or indirect with any legitimate military force, State or Federal. [] said she knew the subject BOOKBINDER grew marijuana in the Girdwood, Alaska, area and had been arrested at one time for doing so.

[] said BOOKBINDER had died some time ago however she did not know exactly when.

b6
b7C
b7D

(U) [] said [] had never worked for nor had any affiliation with any government agencies in which he would work in an undercover capacity to the best of her knowledge.

(U) [] gave [] work history as sparse, indicating a few jobs such as a cab driver for a cab company in Anchorage that had blue and white cabs, a pizza delivery driver for Pizza Olympia, and did some sort of work for Television Channel 11, [] AKA: [] [] said []

[] did photographic and video work for the television station. [] further said [] does not show any employment now because he owes a large amount of back child support.

b6
b7C
b7D

(U) [] said [] does know the former Lieutenant Governor, "RED BOWCHER".

(U) [] has no knowledge of [] ever house sitting for United States Senator TED STEVENS in Girdwood, Alaska, or anywhere else. [] said she does not think

[] has ever met or knows the STEVENS family or has ever attended a party with them. [] indicated this is probably another delusion of []

(U) [] at one time had an aircraft pilot's license, however it is expired or not in valid status at this time. [] has no valid driver's license at this time and can not obtain a valid driver's license due to his back child support problem.

(U) [] travels to the State of Hawaii often but [] does not know why.

~~SECRET~~

~~SECRET~~

To: Anchorage From: Anchorage
(U) Re: ~~IS~~ 315B-AN-13112, 01/20/2005

b6
b7C
b7D

(U) [redacted] has a mother who lives in Fairbanks, Alaska, [redacted]

(U) [redacted] described [redacted] as a person who believes the United States Government is evil and corrupt. [redacted] is very anti-government and the government needs a new system of government based on a barter system.

♦♦

~~SECRET~~

315M-AN-13112
GDB:gdb

1

On October 20, 2003, Deputy United States Marshal (DUSM) [REDACTED] and Special Agent [REDACTED] Federal Bureau Of Investigation, both members of the Anchorage Division Joint Terrorism Task Force (JTTF), contacted [REDACTED] at Anchorage, Alaska. [REDACTED] was advised of the Agents' identities and the purpose of the interview. [REDACTED] provided the following information:

[REDACTED] is a [REDACTED] for United States Senator Ted STEVENS.

[REDACTED] was asked if Senator STEVENS or the Senator's [REDACTED] or the Senator's [REDACTED] were familiar with an individual named [REDACTED] also known as [REDACTED]. [REDACTED] was advised that [REDACTED] has lived in Girdwood, Alaska and has stated he knows Senator STEVENS. [REDACTED] claimed to have had a personal relationship with Senator STEVENS. [REDACTED] was further advised that [REDACTED] is an associate of a target of an FBI investigation, namely, [REDACTED] (subject of 315M-AN-13112). [REDACTED] was also asked to determine if Senator STEVENS or his family knew [REDACTED].

b6
b7C

[REDACTED] was advised that the JTTF had no reason to believe that Senator STEVENS or his family were in any danger from [REDACTED] and that the inquiry was routine in nature.

[REDACTED] asked if he should notify the Capital Police in reference to this matter. Interviewing Agents advised that such notification would be premature, but if the situation changed, the JTTF would notify him immediately.

On October 20, 2003, at 5:00 p.m., [REDACTED] contacted DUSM [REDACTED] via phone. [REDACTED] advised that neither Senator STEVENS nor [REDACTED] had any knowledge of subject [REDACTED]. [REDACTED] did say that [REDACTED] (Senator Ted Stevens' [REDACTED] did know subject [REDACTED]. Per [REDACTED] stated he knew [REDACTED] by both the [REDACTED] name and by the name of [REDACTED]. This acquaintance was no more than by sight and casual contact.

b6
b7C

Also per [REDACTED] stated that [REDACTED] was mentally ill. [REDACTED] told [REDACTED] that [REDACTED] has talked about being involved with a para-military organization. [REDACTED] also alluded to having highly technical radio equipment. [REDACTED] characterized [REDACTED] equipment as items available at Radio Shack.

FBI - Stevens-3433

315M-AN-13112

2

Through [REDACTED] provided his personal cell phone number [REDACTED] and advised that he, [REDACTED] would be available for a telephonic contact at any time. b6 b7c

FBI - Stevens-3434

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE 6/5/56

FROM : SAC, Anchorage (80-27)

SUBJECT:

WLSK - WLSK

THEODORE F. STEVENS
U. S. Attorney, Fairbanks, Alaska;
GEORGE M. YEAGER
Assistant U. S. Attorney, Fourth Division
Fairbanks, Alaska

Mr. Tolson	
Mr. Nichols	
Mr. Boardman	
Mr. Belmont	
Mr. Mason	
Mr. Mohr	
Mr. Parsons	
Mr. Rosen	
Mr. Tamm	
Mr. Nease	
Mr. Winterrowd	
Tele. Room	
Mr. Holloman	
Miss Gandy	

1-1

In order that the Bureau's files might be complete, this is to advise that Mr. STEVENS, according to newspaper accounts and information supplied Resident Agent at Fairbanks, has submitted his resignation as United States Attorney at Fairbanks in the Fourth Judicial Division of Alaska, to become effective on June 8, 1956. He has accepted a position as legislative counsel for the Department of Interior at Washington.

Mr. STEVENS, upon announcing his resignation, recommended GEORGE M. YEAGER, his Assistant, to act as U. S. Attorney in the interim following his resignation and the appointment and confirmation of his successor, and advice has been furnished me to the effect that Federal Judge VERNON D. FORBES of Fairbanks has directed YEAGER to act in the capacity of U. S. Attorney immediately following STEVENS' resignation.

4 - Bureau
 2 - Anchorage (cc: 77-511)
 RBM/mer
 (6)

RECORDED-11

INDEXED-11

JUN 12 1956

EX - 120

FBI - Stevens-3435

EXP. PROC.

35

*Rel'd in Dept. Reg.
 + 20 ml
 6-11-56
 me*

2m

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/20/2005

To: Anchorage

From: Anchorage

Squad 3

Contact: DUSM [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

GDB

b2
b6
b7C
b7E

(U) Case ID #: (S) 315B-AN-13112 (Pending)

(U) Title: ~~(S)~~ [REDACTED]

IT - SUNNI-EXTREMISTS,
OTHER THAN AL-QAEDA-TALIBAN

(U) Synopsis: ~~(S)~~ Investigation concerning known associate or main subject of in [REDACTED]. Possible threat to United States Senator Ted Stevens and or his family by subject [REDACTED]

(U) (S)

~~Derived From: G-3
Declassify On: X1~~

(U) Details: ~~(S)~~ FBI Anchorage presently carries [REDACTED] upon [REDACTED] (315M-AN-13112 & 265A-AN-13398). Subject [REDACTED] is a known associate of [REDACTED] and has represented himself as a supporter of [REDACTED] an individual who is suspected of anti-American views and possible TALIBAN follower and supporter/member.

(U) ~~(S)~~ Information received from [REDACTED] attorney for [REDACTED] indicates the following: (As told to [REDACTED] by [REDACTED] for United States Senator TED STEVENS at Senator STEVENS residence in Girdwood, Alaska. [REDACTED] has further stated [REDACTED] at Senator STEVENS residence, in the presence of Senator Stevens, the Senator's family and further that both he and [REDACTED] have hashish and marijuana at [REDACTED] [REDACTED] alleges to know of video tapes of [REDACTED] in which [REDACTED] Senator

b2
b6
b7C
b7E

~~SECRET~~

FBI - Stevens-3436

~~SECRET~~

To: Anchorage From: Anchorage
(U) Re: ~~(S)~~ 315B-AN-13112, 01/20/2005

TED STEVENS, and [redacted] are seen taking drugs. [redacted] said these videos are at [redacted] residence at [redacted] Anchorage, Alaska.

(U) ~~(S)~~ [redacted] is known to have at least three AKA'S, 1. [redacted] SSN# [redacted]
2. [redacted] and 3. [redacted]

b6
b7C

(U) ~~(S)~~ [redacted] claims to be a member of an organization known as Search & Rescue International, The Alaska Rangers, Alaska Airborne Rangers. Search & Rescue International is the parent company and the other groups are under the umbrella of same. The mission statement of the Alaska Airborne Rangers is "Domestic Counter Terrorism and humanitarian-aid worldwide". [redacted] describes his group, Alaska Airborne Rangers as "elite group of freedom fighters, former military and intelligence personnel." On a web site for the Alaska Airborne Rangers it is stated "We defend this Nation against all enemies, foreign and domestic."

(U) ~~(S)~~ [redacted] has had no visible means of employment/support within the past 10 years even though he has claimed to have owned a [redacted] company with [redacted] in the past. [redacted] has also claimed to have worked at various jobs in the past but has not shown any income that can be located.

(U) ~~(S)~~ On 03/28/2002, a subject who identified himself as [redacted] contacted the Alaska State Troopers in Seward, Alaska. [redacted] reported he was a CIA operative and that he had important information on the next terrorist attack. [redacted] also said he needed to get this information to the president by 0800. This report was entered into the Alaska State Troopers records under case number 020019741. Confirmation of [redacted] identification was made through his Alaska Public Safety Information Network number [redacted] date of birth [redacted].

b6
b7C

(U) ~~(S)~~ While [redacted] state of mental health is not known at this time his actions seem questionable at best and even somewhat delusional. [redacted] has contacted the Anchorage Division, Federal Bureau of Investigation (FBI) on at least two occasions and has left one phone message within the past year (2003), and has been vague as to what he was trying to say and making references to some unknown federal agency (secret in nature) that he was working for. [redacted] indicated that he

~~SECRET~~

~~SECRET~~

To: Anchorage From: Anchorage
(U) Re: (S) 315B-AN-13112, 01/20/2005

was placing himself in great danger by being at the FBI.
[redacted] seemed to talk in riddles and cryptic messages when he was talking to FBI personnel.

(U) ~~(X)~~ Writer of this EC had contact with Alaska State Troopers on or about 03/28/2002, with reference to [redacted] conduct as to his need to contact the President of the United States about new terrorist attacks on our country. It was the general consensus of the contacting troopers that [redacted] was suffering from some sort of mental episode.

b6
b7C

(U) ~~(X)~~ Taking [redacted] actions and statements in their totality, [redacted] veracity is questionable. Combined with third and fourth hand hearsay ie: [redacted] to [redacted] and [redacted] to [redacted] as well as other subjects, both known and unknown it is believed further investigation is questionable but needed to resolve any possible questions in reference to [redacted] danger to himself and any possible threat to Senator Ted Stevens or his family.

♦♦

~~SECRET~~

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/19/2007

[redacted] white female, DOB [redacted] SSAN: [redacted]
[redacted] was interviewed at the Law Offices of Mintz Levin, 701
Pennsylvania Ave., Washington D.C. Also present for the interview
was Department of Interior (DOI) Office of Inspector General (OIG)
Special Agent [redacted] [redacted] who was aware of the
identity of the interviewing agents and the nature of the
interview, provided the following information:

b6
b7C
b7D

[redacted] (SA [redacted] agreed to review these and will provide results under separate cover.) [redacted]

ARCTIC POWER, an organization funded by the State of Alaska to promote oil drilling in the Alaska National Wildlife Reserve (ANWR).

During the interview

According to [redacted]
[redacted] no pending ANWR legislation in the U.S. congress at the time of the mail. [redacted] that the absence of pending ANWR legislation in July 2006 casts suspicion on the alleged \$3 million earmark allegedly pushed by former Congressman RICHARD POMBO in 2006 for ANWR research. [redacted]
[redacted] pending ANWR legislation would be the only justification for a legitimate earmark, or in other words there was no real need for a such an earmark in the absence of ANWR legislation. [redacted] alleges that Pombo approved a \$3 million earmark to PAC WEST Communications. (PWC), a consulting/grassroots firm out of Oregon, to conduct a public awareness and/or research campaign advocating oil drilling in ANWR.)

b6
b7C
b7D

[REDACTED]	that the State of Alaska was closely coordinating efforts to promote ANWR drilling with PWC.	[REDACTED]
------------	--	------------

that the earmark was not far off from being approved.

Investigation on 10/9/2007 & at Washington D.C.

File # 58C-WF-236525

Date dictated

FBI - Stevens-3439

by SA

b6
b7C

58C-WF-236525

Continuation of FD-302 of _____, On 10/9/2007 & , Page 2

_____ the alleged earmark was intended to either provide POMBO with a "soft landing" at a job at PWC when he lost reelection in November of 2006, or to provide funding to PWC to assist his re-election campaign efforts by raising support for ANWR drilling, an important topic to POMBO's re-election platform. _____ POMBO would have easily known his re-election bid was in trouble by Labor Day 2006. POMBO was also aware that certain environmental groups were spending \$3 Million to unseat him.

b6
b7C
b7D

_____ knowledgeable or involved with the alleged \$3 million dollar earmark for PAC WEST. _____ because the funding from the earmark allegedly went to the State of Alaska and then to PAC WEST, the Governor of Alaska at the time, Murkowski, may have had knowledge. _____ the Alaskan State Legislature would have likely known about the earmark. _____

b6
b7C
b7D

_____ working on behalf of Arctic Power, was an Alaska State Senator when the earmark went through, and due to _____ connections to the ANWR issue, it would stand to reason that _____ would be involved. _____ could not recall this individual's name.

_____ the Teamster's Union in Alaska was also deeply interested in supporting Pombo and his ANWR efforts, as ANWR drilling would directly benefit the Union.

_____ (phonetic) should be of interest, _____ Pombo and was a _____ Pombo's efforts on ANWR. _____ stated that Pombo and the Teamsters Union in Alaska were very close.

b6
b7C
b7D

_____ Pombo's House Resources Committee (HRC) Staff may be familiar with the alleged earmark. _____ for POMBO, _____

According to _____ National Environmental Strategies (NES) may have received a portion of the alleged \$3 million earmark. The NES was working on grassroots efforts for ANWR and may have been subcontracted by another entity such as PWC. _____

58C-WF-236525

Continuation of FD-302 of [REDACTED], On 10/9/2007 & , Page 3

alleged POMBO earmark, [REDACTED] [REDACTED]
POMBO at PAC WEST.

[REDACTED]
[REDACTED] the placement of the alleged earmark in any specific legislative bill. However, [REDACTED] the earmark could have been placed in the 2006 transportation bill which included a sizeable amount of money for the State of Alaska.

[REDACTED] that Alaska Senator TED STEVENS, who was the Chairman of the Senate Appropriations Committee at the time, sponsored the bill and could have easily ensured the earmark was placed.

[REDACTED]
during this interview are maintained in evidence by the DOI OIG. Copies are also maintained in the 1-A section of this file.

b6
b7C
b7D

Message10207	
Subject:	DC update
From:	
Date:	7/19/2006 7:16:10 PM
To:	AP.Board@mac.com; ANWR.Supporters@mac.com; Alaska.Legislature@mac.com
Message Body	
<p>We wanted to give you a quick update on what's happening on the ground here in Washington DC on the ANWR front.</p> <p>Congress is busy trying to wrap up as much work as they can before they leave for the summer recess, which is the entire month of August. As of today there are no energy related bills or other legislation scheduled for Congressional action prior to the members leaving for their break.</p> <p>After a month of campaigning, they will return to the Capitol on September 5th to complete their work for the year. It is our hope that they will get a tremendous amount of pressure from their constituents about the rising price of gas at the pump and expensive home energy bills. This will set the momentum we need for a final push to get Congress to act on ANWR this year.</p> <p>At present there is no specific comprehensive energy package or additional stand alone ANWR legislation identified for action in September. However, with the current domestic energy demands and prices skyrocketing we remain extremely optimistic that Congress could act on some sort of <u>Energy Relief package prior to leaving to</u> meet their targeted adjournment schedule of early October.</p> <p>Indication of such action was stated in a op-ed published in The Hill newspaper from Senate Energy and Natural Resources Committee Chairman Domenici, "Opening ANWR is the most meaningful thing Congress can do for domestic oil production. I will continue to work hard in the coming months to ensure the domestic security of this nation by taking up ANWR legislation as soon as possible."</p> <p>We continue to keep the under current strong as Congress is focused on other issues like appropriation bills, telecom, stem cell research, etc...</p> <p>Our ANWR Action website is really starting to get established in the cyber community. The blog site is constantly busy and the topics are changed regularly to keep the visitors enthusiastic. Our database of emails from the Action site has grown multiple times over and we are able to send out messages and Calls For Action. The best part is IT'S WORKING! The response has been outstanding and growing each day.</p>	

b6
b7c

We are in the final stages of editing and plan to launch podcasting to the site. Senator Stevens, Senator Murkowski, Congressman Young and Congressman Pombo have all agreed to participate.

Though we aren't focused on a specific piece of legislation at the moment, it's remains quite busy. It's the time of the year when things move fast and there are often opportunities that come by surprise or circumstance. We are on watch and guard around the clock until they leave for home.

And finally, we are in constant communication with our delegation, the State of Alaska, ASRC and Pac/West. Our efforts are coordinated and messages consistent. We are on the ready if immediate action is needed.

We commit to keep you advised when and if action happens! The fight is still on and we are optimistic!

Please call us if you have any questions. 202.543.1644. I also encourage you to visit the ANWR Action site <http://action.anwr.org>

Arctic Power - D.C. Team

Outlook Header Information

Conversation Topic: DC update
Sender Name: [REDACTED]
Received By: [REDACTED]
Delivery Time: 7/19/2006 7:16:10 PM
Creation Time: 7/19/2006 7:21:40 PM
Modification Time: 7/19/2006 7:21:40 PM
Submit Time: 7/19/2006 7:15:22 PM
Importance: Normal
Priority: Normal
Sensitivity: Normal
Flags: 3 = Read, Unmodified
Size: 9482

b6
b7c

Standard Header Information

FBI - Stevens-3443

Received: from [10.0.1.3] (pool-141-156-249-242.res.east.verizon.net [141.156.249.242])
(authenticated bits=0)
by mac.com (Xserve/smtpin08/MantshX 4.0) with ESMTP id k6K1FMng009197
(version=TLSv1/SSLv3 cipher=RC4-SHA bits=128 verify=NO);
Wed, 19 Jul 2006 18:15:24 -0700 (PDT)
Mime-Version: 1.0 (Apple Message framework v752.2)
Content-Transfer-Encoding: 7bit
Message-Id: <E5D4BE3C-3F31-47F8-885F-448A7ABA46F9@mac.com>
Content-Type: text/plain; charset=US-ASCII; delp=yes; format=flowed
To: AP.Board@mac.com, ANWR.Supporters@mac.com, Alaska.Legislature@mac.com
From: [REDACTED]
Subject: DC update
Date: Wed, 19 Jul 2006 21:15:22 -0400
X-Mailer: Apple Mail (2.752.2)

b6
b7c

FBI - Stevens-3444

Earmark?

~~ANWR~~
~~action in~~
~~the~~
~~the~~

This email clearly states that
there is no impending ANWR
legislation - mention of
PAC/WEST - no need for
\$3 million

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-20-2010 BY 65179 DMH/SBS

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: 10-14-54

FROM : R. T. Harbo *RT*SUBJECT: UNITED STATES ATTORNEYS CONFERENCE
SEMINAR MEETINGS OF PANEL #3
WEDNESDAY, OCTOBER 13, 1954

Tolson
Boardman
Nichols
Belmont
Harbo
Mohr
Parsons
Rosen
Tamm
Sizoo
Winterrowd
Tele. Rm.
Holloman
Gandy

United States Attorneys (a. m.)
I attended the seminar sessions of Panel #3 on October 13. This group includes United States Attorney Hugh K. Martin of Columbus, Ohio.

ADMINISTRATIVE PROBLEMS - Mr. Andretta and Staff

The first item discussed pertained to statistical reports required from the United States Attorneys Office. Apparently, the Department has rather recently revised their system and is now considering further revisions which they were considering putting into effect on January 1, 1955. The Departmental representatives indicated there had been deficiencies and misunderstandings; that the Department was endeavoring to devise a single system of reports to be used by all United States Attorneys and by Divisions at the Seat of Government so that the Attorney General would have accurate data regarding the case load. U. S. Attorney L. S. Parsons, Jr., of Norfolk, Virginia, made critical observations indicating that existing records are already a heavy burden on his office staff and that the proposed revisions would increase the burden. U. S. Attorney Hugh K. Martin of Columbus, Ohio, also spoke at considerable length against the proposed change in the present system. He thinks the present system is good and suits his personal needs very well, whereas the proposed system would not. There was considerable discussion regarding evaluation of statistics, it being pointed out that one case may require several days or weeks of an Attorney's time whereas another case may require only an hour or two. There was considerable participation in the discussion of statistics. However, the handling of the panel was rather mediocre on the part of Mr. Andretta. In my opinion he failed to furnish the needed leadership in order to keep the panel under control and he personally lacked detailed knowledge concerning the work in his Division so that he could answer questions. He made statements on two or more

UNRECORDED COPY FILED IN 100-95707-1

cc: Mr. Nichols
Mr. Boardman

RTH:mas

RECORDED-62
INDEXED-62

EX - 109

FBI - Stevens-3446

44-1-10813-756
NOV 4 1954

*Memo to Tolson
Let to Andretta
RTH: ftk 10/15/54*

2
10/15/54

occasions where it was necessary for members of his staff to remind him that the procedures he referred to were no longer in existence.

(PERSONNEL OFFICER OF THE DEPARTMENT)
Mr. ^{Jack} Adler made a brief but lucid and interesting reference to personnel matters, including the Fringe Benefits Bill. His discussion was limited because most of the time of the panel had been taken up by critical observations of the proposed changes in the statistical system.

CRIMINAL DIVISION PROBLEMS - Assistant Attorney General Olney and Staff

Mr. Arthur Caldwell, Chief of the Civil Rights Section, first spoke briefly on this subject, emphasizing the need to handle these cases carefully and cautiously. He referred to some legal items which are not new to the Bureau and emphasized that this field is highly controversial and that no action is to be taken by the U. S. Attorneys without prior clearance with the Department.

CRIMINAL DIV.
Rufus McClean spoke on Selective Service cases, pointing out that in the future Conscientious Objector cases will be reviewed by General Hershey and his staff and by the Criminal Division before they are referred by the Department to the United States Attorneys for prosecution. This policy has been adopted since the decision in the Dickenson case. McClean stated that in any cases in which indictments had been returned prior to the Departmental decision, the United States Attorneys should seriously consider returning the case to the Department for reconsideration.

CRIMINAL DIV.
Mr. Max Goldscheine was presented by Olney as the outstanding expert in the use of the Grand Jury for inquisitorial purposes, especially in FHA cases. Goldscheine spoke at length in a quite interesting manner. His presentation was more that of making a speech to an audience rather than a lecture to a seminar group. He talked rapidly, uses the language with facility and was quite interesting to listen to. He talked in detail about the special Grand Jury in the District of Columbia conducting hearings concerning [redacted]. He stated that [redacted]

[redacted] b3
[redacted] He referred to another case which he did not identify except to indicate it was in another state,

-2-
* Dickinson Case - - He is a Jehovah Witness who refused induction & was convicted, appealed, & the Supreme Court said there was no basis in fact for the action of the local Selective Service Board in classifying him IA. Everything in the file indicated he was a minister in Jehovah Witness even though he did not devote full time to it. It follows the Estep Case which stated in fact that if the local Board has any basis in fact on which to base its decision the Court will not interfere.

Memorandum for Mr. Tolson

wherein [REDACTED]

b3

[REDACTED] told him of a 25 thousand dollar payoff which had been made to the son of a judge, before whom he had tried a case. (I discussed this matter with Mr. Nichols who indicated he is familiar with this case which occurred in Pennsylvania.)

Goldschein emphasized that the Grand Jury is a most fertile field to fight crime of any type. The questioning of witnesses is very important as is the use of the subpoena to bring in records which may otherwise be unavailable.

It was clearly brought out that this Grand Jury proceeding is to follow, not precede the investigation by the agency responsible for handling the investigation of the case involved. It was apparent by statements made by Olney that some United States Attorneys have received letters from the Criminal Division regarding the possible use of the Grand Jury for inquisitorial purposes. Olney emphasized that no United States Attorney is to call a special inquisitorial Grand Jury without prior Departmental approval.

^{Former Agent} Mr. Kossack, head of the unit handling FHA cases, spoke only briefly. (Most of the time was used by Goldschein.) He referred to documents of importance for evidentiary purposes in establishing possible false statements or fraud. He also referred to the possibility of collusion in connection with the foreclosure proceedings involving an FHA mortgage.

Mr. Olney's seminar was conducted in an orderly and businesslike manner.

CIVIL DIVISION PROBLEMS - Assistant Attorney General Burger and Staff

Mr. Burger presented the several section heads of his Division who talked for two or three minutes each and then the meeting was thrown open to questions. There were no items of particular interest to the Bureau. There was a discussion of the further use of interrogation in Tort Claims cases; the importance of taking depositions from important witnesses since they might die before the case came to trial. (This again referred to Tort Cases.)

Memorandum for Mr. Tolson

It was also indicated that the Department should get as much advance notice of trials in Tort cases since some of the witnesses might be in Armed Forces overseas and time should be arranged for them to attend the trial.

U. S. Attorney Parsons of Virginia suggested that the U. S. Attorney be authorized to settle all Tort cases under five thousand dollars without Departmental approval. Burger explained why this is not possible since it is necessary to check with the governmental department whose employee was responsible for the act giving rise to the Tort claim.

Several U. S. Attorneys complained regarding the slow and sloppy job of investigations of Tort matters by the agency responsible. (Specific reference was made to the Post Office and Treasury Departments.) It was mentioned that the FBI handles the investigation if the claim was over one thousand dollars. No complaint was made in reference to the FBI in these matters. Burger pointed out that they have tried to get the various government agencies to make prompt and adequate investigations but they are unable to require compliance with this request.

Some phases of the discussion indicated that the Civil Division has conferred with Claims representatives of insurance companies regarding suggestions in the handling of claims against the government and that they hope to get other governmental agencies to likewise consult with insurance representatives.

There were many questions asked by the U. S. Attorneys during this seminar period, indicating a lively interest, and it appeared to be a productive discussion from the standpoint of the U. S. Attorneys present.

Washington, DC
During this forum, U. S. Attorney Theodore F. Stevens of Fairbanks, Alaska, interjected an unrelated observation. He stated that a criminal broke out of jail and the FBI refused to investigate the matter because the jail break was not reported until thirteen hours later, whereas their regulations require it to be reported within twelve hours. Mr. Burger responded that certain administrative regulations were necessary and there was no further discussion of the matter in the seminar meeting. As the seminar broke up, I contacted Stevens and inquired of him for more

Memorandum for Mr. Tolson

details. He stated the prisoner was in a combination Territorial and Federal jail, that he could not recall the subject's name but that it occurred in the spring of 1954. He further stated the Territorial Police and U. S. Marshals were first notified of the matter and apprehended the man who was returned for trial. Stevens was much taken aback when he learned that I was an FBI representative and stated emphatically that he did not want this to be treated as a complaint; that he had "perfect relations with the FBI and didn't want anything done to change his relations with the FBI in his district." The Alaska Office has been requested to identify this case and furnish full details and a separate memorandum will be submitted on this.

ACTION:

This is for information.

ADDENDUM: RTH:HD

By radiogram dated 10/14/54 the Anchorage Office has advised that the case involved an individual by name of Jay Burnett. Burnett escaped from the jail in Fairbanks. However no investigation was conducted by the FBI, since Burnett was awaiting trial on a local territorial charge of larceny and the FBI had no jurisdiction. SA Donald T. Sullivan, Resident Agent at Fairbanks, discussed this case with U. S. Attorney Stevens on 2/6/54. Stevens wanted the Bureau to participate (although the territorial police and the marshal's office were already investigating the matter) because he felt the Bureau's participation would greatly facilitate the apprehension of Burnett. Stevens indicated he had a lack of confidence in the ability of local officers to locate Burnett. Agent Sullivan advised Stevens that because subject was a territorial prisoner and not a federal prisoner the FBI had no jurisdiction in this case. Although the question of our receiving notification within one hour after the escape of a Federal prisoner was not in issue in this case, Agent Sullivan did on this occasion explain to Mr. Stevens the Bureau's policy of requiring notification within one hour after the escape of a Federal prisoner. As you know, the U. S. Attorneys in Alaska are responsible for the prosecution of both local and Federal crimes.

It appears that the action of the Bureau was entirely

FBI - Stevens-3450

correct in this instance.

Mr. Stevens is a young man, short in stature, with a crew cut, quite outspoken; does not appear unfriendly, but the statement made by him when he thought no FBI representative was present reflects at the least a lack of a full appreciation of our position.

ACTION:

1. Mr. Nichols will refer to the one-hour rule on notification in Escaped Federal Prisoner cases in his speech to the U. S. Attorneys' Conference.
 2. I will personally advise U. S. Attorney Stevens of the true facts in this case and the reason for the Bureau not participating in the investigation.
 3. Subsequently a letter will be sent to our Anchorage Office for their information and guidance.
- ✓
- OH

FBI - Stevens-3451

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: 10/15/54

FROM : R. T. Harbo

SUBJECT: THEODORE F. STEVENS
UNITED STATES ATTORNEY -
FAIRBANKS, ALASKA

Tolson
Boardman
Belmont
Harbo
Mohr
Parsons
Rosen
Tamm
Winterrowd
Tele. Room
Holloman
Gandy

Fourth Judicial District

My memorandum dated October 14, 1954, reporting on the seminar meetings of Panel #3 on October 13, referred to a statement made by United States Attorney Stevens of Fairbanks that the FBI declined to investigate a case where a criminal broke out of jail because his escape was not reported to the FBI until thirteen hours later.

On October 14, I talked further to Stevens and he acknowledged that the case he had referred to was the one involving Jay Burnett who had escaped from the jail at Fairbanks, Alaska, last February while awaiting trial on a local territorial charge of larceny. I reminded him that Resident Agent [] had discussed this case with Stevens on February 6, 1954, at which time it was pointed out to Stevens that the FBI did not have jurisdiction, since the prisoner was charged with a local violation rather than a Federal offense.

I further reminded Stevens that, although the one-hour rule regarding notification to the FBI concerning the escape of Federal prisoners was not involved in this instance, Agent [] had on this occasion accurately pointed out that in cases involving escaped Federal prisoners it is necessary that the FBI be notified within one hour of the escape.

USA Stevens acknowledged the accuracy of the facts as cited above. He repeated that his only purpose was to endeavor to have the assistance of the FBI, since he did not have confidence in the ability of the local officers to apprehend the fugitive. Stevens was high in his praise of

Attachment

CC - Mr. Nichols
Mr. Boardman
Mr. Rosen
Mr. Mason
Mr. Gearty

RTH:fk

RECORDED-62
INDEXED-6262-53471-13X/EBT
62-75709-120HOCT 18 8 52 AM '54
NOV 4 1954

FBI - Stevens-3526

b6
b7C

UNRECORDED COPY FILED IN 94-1-10873

the FBI and the cooperation which he received from our Anchorage Office, and repeated what he had said to me on October 13, that he did not want to do anything which would interfere with the fine cooperative relationships presently existing.

A separate memorandum is being submitted concerning a contact with United States Attorney William M. Steger, Tyler, Texas, together with a letter to the Dallas and Houston Offices for their information and guidance. Also an SAC Letter is being prepared today alerting the entire Field to pertinent items which have been brought up during the United States Attorneys Conference.

RECOMMENDATION:

That the attached letter be sent to Anchorage for the information and guidance of the SAC.

ADDENDUM: RTH:cs

In his talk to the U. S. Attorneys' Conference this morning, Mr. Nichols mentioned that at one of the seminars it was stated that the FBI declined to investigate a case of an escaped prisoner. It was not reported to the FBI until 13 hours later. Mr. Nichols explained the Bureau's policy in these cases and the reasons for it. At the first intermission following Mr. Nichols' talk, Mr. Stevens approached me and indicated that he was "gripped to the core." He stated he felt this incident was being blown up to unnecessary proportions. I told him that his statement at the panel forum on 10/13/54 was inaccurate and misrepresented the Bureau's policy; that we were not only entitled but obligated to make sure there was no misunderstanding on the part of the U. S. Attorneys attending the conference concerning our policy in matters of this sort. He was definitely unhappy; probably because he was caught off base and tagged out.

⁻²⁻
He just started something
he couldn't finish & got called
on it.

SAC, Anchorage

October 15, 1954

Director, FBI

62-53471-13X1
THEODORE F. STEVENS
UNITED STATES ATTORNEY
FAIRBANKS, ALASKA

40395

RECORDED-62
EX-109

Confirming the telephone conversation between you and Assistant Director R. T. Harbo on October 13, United States Attorney Theodore F. Stevens, during a seminar session at the United States Attorneys Conference on October 13, stated that the FBI declined to participate in the investigation of a case where a criminal broke out of jail in Fairbanks because his escape was not reported until thirteen hours later. Your radiogram to the Bureau dated October 14, identified this case as the one involving Jay Burnett and furnished full details concerning this incident.

Mr. Harbo discussed this matter further with USA Stevens on October 14, at which time he acknowledged that the facts were as reported in your radiogram of October 14. He indicated that his main purpose was to endeavor to have the FBI assist in the investigation because he did not have confidence in the ability of the local police to apprehend the fugitive. He further stated that the cooperative relationships between his office and the FBI were very good.

In view of the fact that Mr. Stevens has clearly indicated a tendency to speak favorably of the FBI when in the presence of FBI personnel, but to make critical comments when he thinks no FBI representatives are present you are instructed that you and the Agents of your Office should be most discreet and circumspect in your dealings with Mr. Stevens and the personnel of his office. You must be particularly alert to any situation where he may endeavor to have FBI personnel in his district participate in activities outside our jurisdiction or contrary to our policies and regulations.

It is desired that you keep the Bureau promptly and fully informed of any indications of any tendencies on the part of USA Stevens to make improper requests of FBI personnel or inaccurate statements concerning the policies or activities of the FBI.

Tolson
Boardman
Nichols
Belmont
Harbo
Mohr
Parsons
Rosen
Tamm
 Sizoo
Winterrowd
Tele. Room
Holloman
Gandy

CC - Mr. Nichols
Mr. Boardman
Mr. Rosen
Mr. Mason
Mr. Gearty

(Above CCs sent direct) FBI - Stevens-3528

RTH:fk

RECEIVED READING ROOM

OCT 15 5 50 PM '54

UNRECORDED COPY FILED IN

SENT FROM B. O.

TIME 3:45 PM

DATE 10/16/54

BY hgh

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 6

Page 4 ~ Duplicate

Page 5 ~ Duplicate

Page 6 ~ Duplicate

Page 7 ~ Duplicate

Page 8 ~ Duplicate

Page 9 ~ Duplicate

Legislators Recall Korean

Offers of Cash, Favors

Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Eval. _____
Rec. Mgnt. _____
Spec. Inv. _____
Training _____
Telephone Rm. _____
Director Sec'y _____

By Charles Babcock and Bill McAllister

Washington Post Staff Writers

For Rep. Larry Winn Jr. (R-Kan.), it was the guy he met at an embassy reception, saying, "We'd like to hold your office," and handing him an envelope that turned out to be stuffed with \$100 bills.

For Rep. Phillip Burton (D-Calif.), it was a large topaz pin that an assistant naval attache left for his wife.

For Rep. Margaret Heckler (R-Mass.), it was the man who insisted that a delegation of congresswomen heading for China stop off in Seoul just long enough for lunch with President Park Chung Hee.

For Rep. Helen Meyner (D-N.J.), it was an open-ended invitation for an all-expenses-paid trip to Korea to pick up an honorary degree.

As the current federal investigation of South Ko-

rean influence buying widens, these and other members of Congress remember instances where they, too, faced—and they say refused—the persistent attentions of the Park regime's Washington lobby.

Sometimes the offers were less direct.

Sen. Ted Stevens (R-Alaska), for instance, recalls getting a large check—at least \$2,500—from a U.S. fish processing company during his 1972 re-election campaign. "Your friends in Korea asked me to send you this," Stevens said his staff was told when they inquired about the unsolicited donation. It was returned.

Rep. Walter B. Jones (D-N.C.) got a call early this year from a college professor in his district who announced, "Walter, I've got a nice trip for you." The trip to South Korea was to be paid for by a "private" foundation, Jones didn't go.

The Washington Post A-1
Washington Star-News _____
Daily News (New York) _____
The New York Times _____
The Wall Street Journal _____
The National Observer _____
The Los Angeles Times _____

Date 11 '28 '76

58 9240-A

NOT RECORDED

167 DEC 8 1976

84 DEC 10 1976

FBI - Stevens-3454

FBI/DOJ

100
Sen. John V. Tunney (D-Calif.) canceled a fund-raising dinner in Los Angeles last fall after being warned that the Korean CIA had helped organize it.

These offers of assistance from South Korea are different from others that have been in the headlines in recent weeks.

They were all refused, the potential recipients told The Washington Post in recent interviews. And none of the offers from Tongsun Park, the Washington-based Korean businessman whose parties for—and cash gifts to—U.S. officials have made him a key figure in the bribery investigation.

These examples of would-be generosity do illustrate, however, just how diverse and ambitious the South Korean lobbying effort on Capitol Hill has been over the past several years.

Most attention so far has focused on the activities

of Tongsun Park, identified in sensitive intelligence reports as far back as 1970 as having President Park's personal blessing and financial backing in a complex scheme to influence members of Congress.

The intensified lobbying campaign apparently was planned shortly after President Nixon's 1970 announcement that 20,000 U.S. troops—a third of the total there—would be withdrawn from South Korea.

Since the end of the Korean war, Congress has approved more than \$12 billion in military and economic aid to South Korea.

Gov. Edwin Edwards of Louisiana has acknowledged, for instance, that while he was a congressman in 1971, Park gave \$10,000 in cash to his wife.

Rep. John J. McFall (D-Calif.), the House majority

See KOREANS, A12, Col. 1

KOREA From A1

whip, accepted a total of \$4,000 from Park on two occasions. He denies reports that he received still another bundle of cash.

Park also wine and dined members of Congress in lavish style at his home and his private George Town Club.

Donald L. Renard, who headed the State Department's office of Korean affairs from 1970 to 1974, said in a recent telephone conversation that high U.S. officials knew of reports of Park's connections with a handful of congressmen during that period.

He said he concluded that the Nixon administration did little to control the Korean lobbying effort then because it needed the 50,000 troops President Park had committed to the war in Vietnam.

But as the stories have continued, Renard said, "I can see that it's much deeper and wider than I ever thought it was."

"And because we Americans don't understand Korea, it's liable to happen again in 5 or 10 years," he added. "If Koreans weren't so stubborn in the face of adversity, surrounded as they are by Chinese and the Japanese, they wouldn't exist as a nation today. But they are tough and aggressive and cocky, and won't take no for an answer."

No one in Congress ever complained to his office about even the Koreans' more blatant offers, Renard said.

Now, with almost daily descriptions of more offers of gifts from Korea, officials still are reluctant to speak out.

"I kinda wish I hadn't told you," Sen. Stevens told a Washington Post reporter, who pressed him for details about the check he received from South Korean fishing interests.

Rep. Winn said he never thought about reporting the envelope full of cash he was offered, either when it was handed to him about a month before the 1972 election or more recently when the stories of Korean influence buying began to appear.

"When the stories started coming out, I just thought, 'Boy, I'm glad I gave that money back,'" Winn said in a telephone interview from his home in Overland Park, Kan.

Looking back on it now, "I probably should have reported it to someone," he said. "But I wasn't trying to police the world or get the Korean government in trouble."

Winn said he couldn't identify the Korean who gave him the money. He said his secretary, Nan Elder, got a call that someone he had met a few days before, at a Sept. 29, 1972, Korean embassy reception wanted to "stop by and pay his respects."

The congressman said he was late for a committee meeting and only spent two or three minutes with the man. "We exchanged pleasantries and

he reached in his pocket and gave me an envelope, saying something like, 'We'd like to help your office.'" Winn recalled.

"I took it and tossed it back on the top of my desk and walked out. A few minutes later at the committee meeting it dawned on me that I hadn't looked to see what was in the envelope."

Winn said he called his secretary, who looked and told him the envelope contained "a lot of \$100 bills." After calling the South Korean Embassy to find where the man was going next, Ms. Elder tracked him down at another congressional office and returned the money, Winn said.

"I don't know why they were interested in me, but I just knew it wasn't right to accept money like that," the congressman said.

He said he had been to Korea once, in 1971, with a delegation headed by House Speaker Carl Albert. He also had attended several functions at the South Korean Embassy, he said. But at the time, he was not on a committee with jurisdiction over U.S. aid to Korea.

Lee Jai Hyon, a South Korean Embassy official who sought political asylum in the United States in 1973, said in a recent interview that the Park regime was "not exclusionary" when it came to targeting members of Congress to shower with attention.

"If a congressman took a trip to Korea, accepted an invitation to the embassy, expressed an interest in any way, his name was noted for further action," Lee said.

"Park knew that without U.S. support, he would have trouble staying in power, so he worked very hard to keep his friends in Congress and just as hard to change the mind of those not so friendly."

Often the enticements were more subtle than an envelope full of \$100 bills. Rep. Burton recalls that in July, 1975, a naval attache from the South Korean Embassy left a "very large and beautiful" topaz brooch in his office for his wife.

Burton said that when his wife opened the gift box and told him about the present, he told an aide to "take that goddamned thing back to the embassy and get a receipt." He said he also complained personally about the incident to Secretary of State Henry Kissinger.

Rep. Lee Hamilton (D-Ind.), a member of the International Relations Committee, was one of several members who refused offers of honorary degrees from Korean universities, offers which about a dozen other members of Congress have accepted.

Hamilton said his invitation, which included a free trip to Korea to pick up the degree, came early this year while the House was considering a military assistance bill important to Korea. The congressman said he considered the offer.

Byline Stevens-3456

19c

3

United States Department of Justice

IN REPLY PLEASE REFER TO:

TFS:sl

UNITED STATES ATTORNEY

DISTRICT OF ALASKA
FOURTH JUDICIAL DIVISION
FAIRBANKS

Mr. Tolson ☒
Mr. Boardman ☒
Mr. Nichols ☒
Mr. Belmont ☒
Mr. Harbo ☒
Mr. Mohr ☒
Mr. Parsons ☒
Mr. Rosen ☒
Mr. Tamm ☒
Mr. Sizoo ☒
Mr. Winterrowd ☒
Tele. Room ☒
Mr. Holloman ☒
Miss Gandy ☒

June 10, 1955

U.S. ATTORNEY
4th Division, Dist. of Alaska,
Fairbanks, Alaska
PERSONAL & CONFIDENTIAL

Honorable J. Edgar Hoover
Director
Federal Bureau of Investigation
Washington, D.C.

My dear Mr. Hoover:

I have been informed that Special Agent John W. Worsham will soon be rotated from Alaska. Permit me to take this opportunity to thank you for the cooperation and aid Mr. Worsham has given so freely to me and the Assistant United States Attorneys here in this office.

We have had a 100% turnover in personnel here and, as you know, in many instances lack of experienced attorneys may cause serious errors. Mr. Worsham has helped us through many rough situations and has always conducted your Resident Agency here in Fairbanks in an excellent and efficient manner.

As you are also aware, Mr. Worsham has had the unfortunate duty to conduct investigations concerning both past and present personnel connected with the administration of justice here in Fairbanks. I feel Mr. Worsham handled these touchy assignments ably and, to my knowledge, gained greater respect from all concerned because of his fairness and thoroughness.

Mr. Worsham has not only lived up to the high reputation of your Bureau, he has also set a very high standard for those Agents who follow him here.

Mr. Worsham is also a personal friend. I am not writing this letter with the intention that he would see it; I do believe, however, that you should know of his good work.

RECORDED-57

INDEXED-57

JUL 1 1955

THEODORE F. STEVENS
United States Attorney
Alaska

FBI - Stevens-3457

NO COMMENDATION
RE ANY SPECIFIC
CASE
and 6-20-55
Gm
3 autostats made
6-17-55
JMS

112 112-442
62-53471-14
4/gem
Theodore F. Stevens
P. 13/10

JUN 14 1955

D
April 18, 1955

~~62-57253-1~~
62-53471-✓
C
Honorable Warren E. Burger
Assistant Attorney General
Civil Division
United States Department of Justice
Washington 25, D. C.

Dear Warren:

Many thanks for your thoughtful memorandum of April 13, 1955, with which you forwarded a copy of a letter you received from the United States Attorney at Fairbanks, Alaska, regarding the deposition given by Special Agent Clarence E. Bohn.

Mr. Bohn considered it a pleasure to be of service in the disbarment proceedings involving Cornelius P. Coughlan, your file 207507-3-29, and he joins me in extending sincere thanks for your kind remarks.

With warmest regards,

Sincerely,

cc - Mr. Parsons, with copy of incoming and enclosure.
cc - Personnel file of Mr. Clarence E. Bohn, with copy incoming and enclosure.

NOTE: Clarence E. Bohn, EOD 12-4-39 as clerk, 7-1-41 as SA, GS-14, assigned to FBI Laboratory.

GEM:ivs:les:bs

(5)

FBI - Stevens-3458

60 APR 28 1955

ORIGINAL FILED IN 95-49830-14

Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Mr. Warren E. Burger
Assistant Attorney General
Civil Division
Disbarment of Cornelius P. Coughlan
(Dist. Alaska - Civil No. 7521 - 4th Div.)

April 13, 1955

WEB:KHJ:pom

207507-3-29

U.S. Attorney

The attached copy of a letter from the United States Attorney at Fairbanks expresses his appreciation for the valuable assistance of Mr. Bohn in the successful termination of the disbarment proceedings.

Alaska

This Division also appreciates the cooperation of Mr. Bohn with the staff attorney of this Division in completing the deposition.

Attachment.

1-1
95-47830-14
ORIGINAL FILED IN

62-53471-V
162-81253-V

NOT RECORDED
167 APR 25 1955

18-2000
filed with
orig.

INITIALS ON ORIGINAL

FBI - Stevens-3459

RECORDED-57

EX.

June 23, 1955

62-53471-14

Honorable Theodore F. Stevens
United States Attorney
Fourth Judicial Division
District of Alaska
Fairbanks, Alaska

My dear Mr. Stevens:

It was indeed a pleasure to read your letter of June 10, 1955, and I want to thank you very much for your thoughtfulness in advising me of the outstanding work of Special Agent John W. Worsham during his assignment at our Fairbanks Resident Agency.

Your generous comments are most encouraging, and I am making your letter a part of Mr. Worsham's permanent file.

Sincerely yours,

J. Edgar Hoover

cc - Charlotte, with copy of incoming.
cc - Anchorage, with copy of incoming.
cc - Personnel file of SA John W. Worsham, with with copy of incoming.

NOTE: Bufiles reflect cordial correspondence with USA Stevens. John W. Worsham's EOD data set forth on note attached to the incoming.

Tolson _____
Boardman _____
Nichols _____
Belmont _____
Harbo _____
Mohr _____
Parsons _____
Rosen _____

GEN:lmz:611-22

COMM-FBI

JUL 21 1955

MAILED 26

FBI - Stevens-3460

RECEIVED READING ROOM
FBI
JUL 20 3 33 PM '55

Office Memorandum • UNITED STATES GOVERNMENT

Mr. Tolson	✓
Mr. Nichols	✓
Mr. Boardman	✓
Mr. Belmont	✓
Mr. Parsons	✓
Mr. Rosen	✓
Mr. Tamm	✓
Mr. Nease	✓
Mr. Winterrowd	✓
Tele. Room	✓
Mr. Holloman	✓
Miss Gandy	✓

TO : DIRECTOR, FBI

DATE: 5-14-56

FROM : SAC, SEATTLE (68-0)

SUBJECT: ALASKAN MATTERS

On 5/10/56, Mr. CHARLES P. MORIARTY, United States Attorney, Seattle, Washington, made a visit to the Seattle Office accompanied by Mr. WILLIAM T. PLUMMER, United States Attorney, Anchorage, Alaska; Mr. THEODORE F. STEVENS, Assistant United States Attorney, Fairbanks, Alaska; and [redacted] Assistant United States Attorney, Anchorage, Alaska.

The Alaskan officials were very complimentary in their comments with reference to Special Agent in Charge R. B. MILLER of the Anchorage Office and their association with the Anchorage Office.

These gentlemen were conducted through the Seattle Office and were offered any assistance which the office might give during their stay in the city.

FCD:LM

(4)

2 - Bureau
1 - Seattle
1 - Anchorage

RECORDED - 79

INDEXED - 79

10 MAY 22 1956

FBI - Stevens-3461

71 MAY 28 1956

FOR IMMEDIATE RELEASE

OCTOBER 27, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

FEDERAL GOVERNMENT

(U)

The Chinese People's Institute of Foreign Affairs of the People's Republic of China has invited a bipartisan Congressional delegation to visit China for about two weeks beginning November 8. The delegation will be headed by Senator Carl Curtis, Republican of Nebraska, with Senator Birch Bayh, Democrat of Indiana, as deputy leader. Members of the group include Senator Milton Young, Republican of North Dakota, Senator Ernest Hollings, Democrat of South Carolina, Senator Ted Stevens, Republican of Alaska, and Senator Bennett Johnston, Democrat of Louisiana.

Details of the trip, which was agreed to in principle during Secretary of State Henry Kissinger's October 1975 trip to Peking are being worked out in consultation with the Liaison Office of the People's Republic of China in Washington.

This will be the fifteenth delegation of American officials to visit the People's Republic of China since the United States initiated efforts to normalize U.S.-PRC relations in 1971, apart from President Nixon's visit in 1972, President Ford's visit in 1975, and Secretary Kissinger's trips to Peking. The fourteen previous groups included thirteen Congressional delegations and a delegation of State Governors.

18

DE-38

[105-144424-4689]

NOT RECORDED

22 NOV 10 1976

#

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 11-16-2010

FBI - Stevens-3462

54 NOV 30 1976

WFO 46A-11357
WCB:lv

On December 8, 1987, [redacted] provided SA [redacted]
[redacted] with the following information.

[redacted]
[redacted] reporter for the Washington Times, [redacted] comments that he
has [redacted] possible illegal
activities on the part of United States Attorney JOSEPH DIGENOVA.
[redacted] the sale of a
residence by U.S. Senator TED STEVENS (R-Alaska) to JOSEPH
DIGENOVA [redacted] for \$450,000 with a first trust of \$375,000
on a 30 year loan at 9%. [redacted] the loan was issued
by HOC [redacted] a low income funding
organization designed for the development of low income housing
development.

b2
b6
b7C
b7D

[redacted]
[redacted] a possible incident where funds that were supposed to have
gone for low income housing have been misused by a government
official to finance an expensive house in Kenwood, a subdivision
of Chevy Chase, Maryland.

①

[Handwritten signature]

FBI - Stevens-3463

46A-11357-467A

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 22 1987	
FBI - WASH. FIELD OFFICE	

[Handwritten initials]

Complaint Form

NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☒ Negative ☐ See below

Subject's name and aliases <div style="border: 1px solid black; width: 100px; height: 15px; margin-bottom: 5px;"></div> Ted Stevens				Character of case Public Corruption			
				Complainant <input type="checkbox"/> Protect Source <div style="border: 1px solid black; width: 100px; height: 15px; margin-bottom: 5px;"></div>			
				Complaint received by <div style="border: 1px solid black; width: 100px; height: 15px; display: inline-block;"></div> Field Office <u>AN</u> Telephone <div style="border: 1px solid black; width: 100px; height: 15px; display: inline-block;"></div> <input type="checkbox"/> Personal <input checked="" type="checkbox"/> Telephonic Date <u>02/13/2008</u> Time <u>am</u>			
				Address of Subject			
				Complainant's address and telephone number <div style="border: 1px solid black; width: 150px; height: 15px; display: inline-block;"></div> ID <div style="border: 1px solid black; width: 100px; height: 15px; display: inline-block;"></div>			
				Complainant's DOB <div style="border: 1px solid black; width: 100px; height: 15px; display: inline-block;"></div>			
				Sex Female b2			
Subject's Description	Race	<input type="checkbox"/> Male	Height	Hair	Build	Birth date and birth place	b6 b7C
	Age	<input type="checkbox"/> Female	Weight	Eyes	Complexion	Social Security Number	
	Scars, marks and other data						
Employer			Address			Telephone	
Vehicle Description							
Facts of Complaint <p>Complainant is the <div style="border: 1px solid black; width: 200px; height: 15px; display: inline-block;"></div> and has been in this position for a total of about ten years. C lives <div style="border: 1px solid black; width: 100px; height: 15px; display: inline-block;"></div> and spends the rest of the year in Alaska. C has been following the corruption investigations in Alaska regarding <div style="border: 1px solid black; width: 100px; height: 15px; display: inline-block;"></div> and Ted Stevens and wanted to come forward with information she feels may be of interest.</p> <p>C specifically mentioned one instance where money was funneled to <div style="border: 1px solid black; width: 100px; height: 15px; display: inline-block;"></div> in the form of a consulting fee. C said this money was related to the <div style="border: 1px solid black; width: 200px; height: 15px; display: inline-block;"></div> C would like to provide additional information based on her experiences.</p> <div style="text-align: right;">b6 b7C</div>							
rdb (3) <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 20px;"></div>				Do not write in this space. FBI - Stevens-3464 BLOCK STAMP			

-393

DATE: 12-02-2010

CLASSIFIED BY 65179 DMH/SBS

REASON: 1.4 (c)

DECLASSIFY ON: 12-02-2035

FD-36 (Rev. 8-29-85)

~~SECRET~~

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

8/20/87

Date

TO: ACTING DIRECTOR, FBI

FROM: SAC, WFO [REDACTED] (P) (CI-2)

~~SECRET~~

b1
b6
b7C

OO:WFO

All markings, notations and items of information contained in this communication are classified "~~SECRET~~" unless otherwise noted.

Re Bureau airtel to WFO dated 7/20/87, WFO airtel to the Bureau dated 4/24/87 and WFO teletype to the Bureau dated 7/6/87.

b6
b7C

The subject arrived in the United States on 12/23/86 and was listed as [REDACTED]. He has since been elevated to the post of [REDACTED] at the Soviet Embassy. The subject was formerly [REDACTED] with the Soviet Delegation at the U.S./Soviet Arms Negotiations at Geneva, Switzerland.

[REDACTED] advised that the subject claims to be an expert on arms negotiations.

In referenced Bureau airtel dated 7/20/87 FBIHQ authorized WFO to interview [REDACTED] to U.S. Senator TED STEVENS of Alaska. The purpose of this communication is to report the results of that interview.

b1
b6
b7C

~~SECRET~~
Classified by: 4890
Declassify on: OADS

DE-12

2-Bureau
1-WFO

CKS:tb
(3)

(S)

AUG 25 1987

Approved: [Signature]

Transmitted

(Number)

(Time)

Per [Signature]

FBI - Stevens-3465

251
18 JAN 09 1989 4439

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

~~SECRET~~

(S)

~~SECRET~~

b1

that the subject had visited [redacted] and discussed arms control. [redacted] (ph) visits [redacted] every other month.

[redacted] advised that he had not heard from the subject since May, 1987.

[redacted] went on to say that the subject dresses very well possibly wearing English tailored suits. He speaks English almost without an accent and remarked that he speaks Spanish which he learned in Cuba. The subject is married and has two children and he wears a wedding ring on his right hand. He is a pleasant individual with which to converse. The subject does not smoke. The subject is very comfortable with the "Western setting" and understands the American political process. At one of the meetings he asked [redacted] to explain the "appropriations process" to him.

b6
b7C

On July 31, 1987 [redacted] contacted the WFO case agent and advised that the subject telephonically contacted and invited him to attend the Bolshoi Ballet. [redacted] could not attend due to a prior commitment. The subject did remark that he was going to the USSR on vacation the following Monday or Tuesday.

[redacted] was very cooperative and expressed a willingness to assist the FBI by providing all information about the subject of which he becomes aware. He added that Senator STEVENS has encouraged his cooperation.

WFO will maintain contact with [redacted] as it appears the subject is cultivating him as a contact.

FBI - Stevens-3467

3*

~~SECRET~~

FEDERAL GOVERNMENT

March 22, 1982

Honorable Ted Stevens
United States Senate
Washington, D.C.

Dear Senator Stevens:

Your letter of March 4, 1982, was received in my office on March 9th and was called to my attention upon my return to the city on March 10th.

As you are now no doubt aware, the form of a letter to Senator Pressler was worked out in Senator Baker's office with Departmental officials who were in telephone consultations with me in Phoenix. I personally delivered the letter to Senator Pressler Thursday evening, March 11th, upon the conclusion of the Senate proceedings. A copy is enclosed.

You may also be aware that Deputy Attorney General Charles Renfrew provided Senator Pressler with a letter dated February 6, 1981. A copy of that letter is enclosed.

You may also be interested in excerpts from a speech I made on July 8, 1981, and Senator Pressler's letter of appreciation. I have made similar statements in questions and answer periods when this subject has come up.

Naturally, we in the FBI regret that your previous support has been in anyway undermined. It is simply my hope that an objective review of the ABSCAM investigations will help to restore your confidence in the Bureau and in the Department of Justice.

V-107
Sincerely,

William H. Webster
Director

1 - Associate Attorney General

Enclosures

FBI - Stevens-3468

1 -
1 -

WHW:mfd

PERS. REC. UNIT

MAIL ROOM ☒

*delivered by WPH
to Sen Stevens 3/23/82*

Exec AD Inv. _____
Exec AD Adm. _____
Exec AD LES _____
Asst. Dir.: _____
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Insp. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Public Affs. Off. _____
Telephone Rm. _____
Director's Sec'y _____

b6
b7C

January 24, 1996

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510-6025

CONGRESSIONAL CONSTITUENT MATTERS

Dear Senator Stevens:

This is in reply to your October 13th letter to the Bureau of Alcohol, Tobacco and Firearms, which was forwarded to the FBI. We apologize for the delay in responding, which was due to the extensive government furlough.

The Department of Justice's Office of Professional Responsibility is conducting an ongoing investigation of the conduct of FBI personnel in connection with the events and the investigation into the events at Ruby Ridge. The local prosecutor in Idaho also has this matter under review. No FBI Agents were dismissed in connection with this matter; however, enclosed is information regarding the six FBI Agents who were suspended.

As Director Louis Freeh has stated, he remains committed to obtaining the full truth about what occurred during and after the tragic events at Ruby Ridge and to seeing that appropriate action is taken against any FBI employee if any wrongdoing has occurred.

I hope this reply helps you in responding to your constituent.

Sincerely yours,

John E. Collingwood
Inspector in Charge
Office of Public and
Congressional Affairs

By:
Unit Chief

b6
b7c

Enclosures

Dep. Dir. _____
Chief of _____
Staff _____
Off. of Gen. _____
Counsel _____
Asst. Dir.: _____
Crim. Inv. _____
CJIS _____
Financ. _____
Info. Res. _____
Insp. _____
Lab. _____
National Sec. _____
Personnel _____
Training _____
Off. of EEOA _____
Off. of Public _____
& Cong. Affs. _____
Director's Office _____

1 - CAO (7240)
✓ 62A-HQ-1077229

BHM:majh

MAIL ROOM

FBI - Stevens-3469

Handwritten signature

FBI/DOJ

July 15, 1983

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

FEDERAL GOVERNMENT

Dear Senator Stevens:

Your June 24th letter to Special Agent [redacted] on behalf of one of your constituents, in which you request information regarding Gordon Kahl has been brought to my attention.

b6
b7c

Gordon Kahl was a member of the Sheriff's Posse Comitatus, an organization active as a tax protest group which, in the past, has called for the establishment of a Posse in every county to assist, in its view, the only legitimate law enforcement authority, the County Sheriff, in combating the unlawful acts of others, particularly Federal and state authorities. This group has exhibited a proven propensity for violence.

On February 13, 1983, members of the United States Marshal's Office for the Northern District of North Dakota, attempted to arrest Kahl, who was a probation violator fugitive. A shoot-out took place resulting in the deaths of the United States Marshal and one of his deputies. After this incident, Kahl was sought as a Bureau fugitive, and a joint investigation was conducted by the FBI and the United States Marshals Service.

On June 3, 1983, in Smithville, Arkansas, representatives of the FBI, the United States Marshals Office, the Arkansas State Police and the Lawrence County Sheriff's Office attempted to apprehend Kahl. During that attempt, Lawrence County Sheriff Gene Matthews was fatally wounded and Gordon Kahl was killed.

If I can furnish any additional information, please let me know.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-16-85 BY [redacted]

259611

Sincerely yours,

Oliver B. Revell
Assistant Director
Criminal Investigative Division

82 JUL 20 1983

Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Insp. _____
Intell. _____
Lab. _____
Legal Coun. _____
Off. Cong. & Public Affs. _____
Rec. Mgnt. _____
Servs. _____

1 - Anchorage - Enclosure

CAM:bjp (8) COPY DESIGNATIONS AND NOTE CONTINUED PAGE 2

FBI - Stevens-3470

MAIL ROOM ☐

✓ 200-44-6226-274

Honorable Ted Stevens

- 1 - [] - Enclosure
- 1 - Administrative Unit - CID (Room 5121) - Enclosure
- 1 - Congressional Affairs Unit - Enclosure

NOTE: Information regarding Kahl furnished by SA []
Fugitive/General Crimes Program, CID. Reply coordinated
with SA []

b6
b7C

He

APPROVED	Adm. Serv.	Legal Coun.
Director	Crim. Inv.	Plan. & Insp.
Exec. AD Adm.	Ident.	Rec. Mgnt.
Exec. AD Inv.	Intell.	Tech. Servs.
Exec. AD LES	Laboratory	Training
		Off of Cong. & Public Affs.

J. [signature]

9/25/77

FBI - Stevens-3471

SSP

CLASS

SRC'D

SER

REC

JUN 2 1988

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

Miscellaneous - Non-Subversive

Dear Senator Stevens:

We in the FBI are most appreciative of your efforts in connection with the Bill to establish a Senior Executive Service for the FBI and the DEA. The passage of this bill greatly benefits FBI/DEA executives while it addresses the special and unique nature of each of our missions.

I recognize that a great deal of work went into the creation and passage of this Bill, and I want you to know of my personal gratitude for your support.

Sincerely yours,

William S. Sessions

William S. Sessions
Director

- 1 - Anchorage
- 1 - Congressional Affairs Office

b6
b7C

NOTE: Letter was requested by SSA [redacted],
Congressional Affairs Office, OCPA.

CAM:jlh (5)

feh

63-0-88030

APPROVED: 4/2
Director WSS
Exec AD-Adm. _____
Exec AD-Inv. _____
Exec AD-LES _____
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Legal Coun. _____
Off. of Cong. & Public Affs. _____
Off. of Lia. & Intl. Affs. _____
Rec. Mgmt. _____
Tech. Servs. _____
Training _____

FBI - Stevens-3472

16 JUN 16 1988

REC. UNIT

Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Insp. _____
Intell. _____
Lab. _____
Legal Coun. _____
Off. Cong. & Public Affs. _____
Rec. Mgmt. _____
Tech. Servs. _____
Training _____
Off. Liaison & Int. Affs. _____
Telephone Rm. _____
Director's Sec'y _____

MAIL ROOM ☐

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 7/11/77

FROM : SAC, ANCHORAGE (89-50)(C)

SUBJECT: [REDACTED]
THREAT AGAINST
SENATOR TED STEVENS
CONGRESSIONAL ASSASSINATION STATUTE

b6
b7C

Enclosed for the Bureau are the original and three copies of a letterhead memorandum concerning captioned matter which is self-explanatory.

Anchorage indices contains no information identifiable with [REDACTED]

On 7/11/77, [REDACTED], Senator TED STEVENS' secretary was advised that no record of arrests was located for [REDACTED] in the State of Alaska.

b6
b7C

In view of the ambiguity of the threat, this information not furnished to the Bureau by telephone or teletype.

Special Agent [REDACTED] U.S. Secret Service, Anchorage, Alaska, advised on 7/11/77.

REC-124

DE-4

V-2

89-0-1233

ENCLOSURE

2 - Bureau (Enc 4)
1 - Anchorage
RHL:pas
(3)

6 JUL 14 1977

1-LESS
7-27-77
HUP
/88

FBI - Stevens-3473



5010-110

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No. AN 89-50

Anchorage, Alaska
July 11, 1977

[REDACTED]
THREAT AGAINST
SENATOR TED STEVENS
CONGRESSIONAL ASSASSINATION STATUTE

b6
b7C

On July 11, 1977, [REDACTED] Secretary to
Senator Ted Stevens, Anchorage, Alaska, advised as follows:

On July 6, 1977, Senator Stevens was in Ketchikan,
Alaska at which time he received constituents at his office
in the Federal Building, Ketchikan, to discuss any problems
that they might have in which he could be of assistance.

[REDACTED] was one of these visitors [REDACTED]
told the Senator that he was [REDACTED] for child
advocacy and that he represented a group from Los Angeles
called "[REDACTED]". He made a statement to the
Senator to the effect that he was a "marked man".

b6
b7C

On July 11, 1977, [REDACTED] Alaska State
Troopers, Anchorage, advised that [REDACTED] date of
birth [REDACTED] Social Security Account Number [REDACTED]
resides at [REDACTED] in Ketchikan, Alaska. He holds
Alaska State Drivers License Number [REDACTED] [REDACTED] stated
that their files contain no record of arrest for [REDACTED].

On July 11, 1977, Lieutenant [REDACTED]
Ketchikan Police Department, Ketchikan, Alaska, advised
that he was personally acquainted with [REDACTED] who was
employed by the [REDACTED]. He stated that
[REDACTED] has been involved in a custody battle for two children
from prior marriage for an extensive period of time. He stated
that [REDACTED] has never been arrested or in any difficulty
with the Ketchikan Police Department.

b6
b7C

- 1* -

This document contains neither recommendations nor conclusions
of the FBI. It is the property of the FBI and is loaned to
your agency; it and its contents are not to be distributed
outside your agency.



89-0-1233
LOSURE
FBI - Stevens-3474



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

WASHINGTON, D.C. 20535

Director
United States Secret Service
Department of the Treasury
Washington, D. C. 20223

Anchorage, Alaska

In Reply, Please Refer to

File No. AN 89-50

b6

b7C

RE:

Threat Against Senator Ted Stevens
Congressional Assassination Statute

Dear Sir:

The information furnished herewith concerns an individual or organization believed to be covered by the agreement between the FBI and Secret Service concerning protective responsibilities, and to fall within the category or categories checked.

1. ☒ Threats or actions against persons protected by Secret Service.
2. ☐ Attempts or threats to redress grievances.
3. ☐ Threatening or abusive statement about U. S. or foreign official.
4. ☐ Participation in civil disturbances, anti-U. S. demonstrations or hostile incidents against foreign diplomatic establishments.
5. ☐ Illegal bombing, bomb-making or other terrorist activity.
6. ☐ Defector from U. S. or indicates desire to defect.
7. ☐ Potentially dangerous because of background, emotional instability or activity in groups engaged in activities inimical to U. S.

Photograph ☐ has been furnished ☐ enclosed ☒ is not available.

Very truly yours,


Clarence M. Kelley
Director

1 - Special Agent in Charge (Enclosure(s))
U. S. Secret Service, Anchorage, Alaska

Enclosure(s)

FBI - Stevens-3475

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 3/17/76

FROM : SAC, WFO (89-416) (RUC)

SUBJECT: [REDACTED]

Threat Against Senators

STEVENSON and MIKE

GRAVEL

CAS

(OO:AN)

b6
b7C

ReBunitel dated 2/21/76.

Appropriate local law enforcement agencies advised of captioned subject and threat against Senators GRAVEL and STEVENS. Identity of individuals notified being maintained in WFO case file. Also notified were the Washington, D.C. (WDC) senate offices of Senator STEVENS and Senator GRAVEL. Identity of individuals contacted at the respective Senators' offices being maintained in WFO case file also.

EX-115

REC-69

89-0-1048
MAR 18 1976

2- Bureau
2- Anchorage
1- WFO
JSG:pja
(5)

FBI - Stevens-3476



MAR 31 1976

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description Unrecorded Serial

Total Deleted Page(s) ~8
Page 11 ~Duplicate

XX
X Deleted Page(s) X
X No Duplication fee X
X Deleted Page(s) X
X NO Dup: cat.shr fee X
X ja r BS Page X
XXXXXXXXXXXXX\$XXXXXXXXXX! XXXXX

Q Q GJR 8
DECODED COPY

Tolson	_____
Nichols	_____
Boardman	_____
Belmont	_____
Mason	_____
Mohr	_____
Parsons	_____
Rosen	_____
Tamm	_____
Nease	_____
Winterrowd	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

☒ **Radio**☐ **Teletype**

5* FROM ANCHORAGE 5-7-56 NR 072235

TO DIRECTOR URGENT

U.S. ATTORNEYDIVISION FOUR

THEODORE F. STEVENS, ETAL, MISCELLANEOUS - INFORMATION CONCERNING REBURAD ANCHORAGE MAY-2-LAST. LETTER AND ATTACHED MEMORANDUM DATED MAY 4, 1956 MAILED TO BUREAU THAT DAY. MEMORANDUM PREPARED FROM DICTAPHONE RECORDS SUBMITTED BY RESIDENT AGENT, FAIRBANKS, WHICH ARE SUSCEPTIBLE OF ERRORS. TO EXPEDITE TRANSMITTAL OF MEMORANDUM TO YOU, RESIDENT AGENT WAS NOT PERMITTED OPPORTUNITY TO READ PRIOR TO MAILING. SUCH OBVIOUS ERRORS AS WERE DETECTED WERE CORRECTED TELEPHONICALLY. SIMULTANEOUS WITH MAILING LETTER TO BUREAU, COPY WAS MAILED TO RESIDENT AGENT WHO TODAY ADVISES FOLLOWING CORRECTIONS SHOULD BE MADE IN BLANK MEMORANDUM ACCOMPANYING LETTER DATED MAY 4 LAST. PAGE 4, FIRST LINE, LAST WORD SHOULD BE QUOTE DIVISION UNQUOTE AND NOT QUOTE TERRITORY UNQUOTE. THIS LINE SHOULD READ AS FOLLOWS: QUOTE SEPTEMBER 9, 1953, IN FAIRBANKS PRECINCT, FOURTH DIVISION, -- UNQUOTE. REQUEST BUREAU MAKE APPROPRIATE CORRECTIONS AND SAME WILL BE DONE HERE.

RECEIVED: 7:31 PM RADIO

7:46 PM CODING UNIT

INDEXED - 93
RECORDED - 93

M. F. ROSEN

16 MAY 9 1956

FBI - Stevens-3514

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ Unrecorded Serial

Total Deleted Page(s) ~ 55

Page 1 ~ b1 b1

Page 2 ~ b1 b1

Page 3 ~ b1 b1

Page 4 ~ b1

Page 5 ~ b1

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
X
XX

1
2-
3
4 OFFICIAL TRANSCRIPT

5
6
7 INTERROGATION OF [REDACTED]
8 BY U. S. DEPARTMENT OF JUSTICE

b6
b7C

10
11
12
13
14 JANUARY 23, 1978
15
16
17
18

19 [REDACTED] ISTRIC PROSECUTOR'S OFFICE
20 [REDACTED]
21

22 COPY 2 OF 3 COPIES
23
24
25

FBI - Stevens-3520
1A/2

1 APPEARANCES:

2 [REDACTED]
3 Public Integrity Section
4 Department of Justice

5 Allan E. Meyer
6 Lewis E. Evans
7 Francis M. Connolly
8 Federal Bureau of Investigation

9 [REDACTED] Esq.
10 U.S. counsel to [REDACTED]

11 [REDACTED]
12 [REDACTED] counsel to [REDACTED]

13 [REDACTED]
14 [REDACTED] Prosecutors

15 ALSO PRESENT:

16 [REDACTED]
17 United States Senate Ethics Committee Staff

18 Interpreters:

19 [REDACTED] U.S.
20 [REDACTED]

1 for many years -- and because of my active social life in
2 Washington -- at one point or the other I would have run into
3 him in early days.

4 Q Were your contacts with [redacted] exclusively
5 social?

6 A I believe so; yes.

7 Q Have you ever been to his office?

8 A No.

9 Q Have you ever been a social host to him?

10 A No.

11 Q He to you?

12 A No.

13 Q On the social occasions on which you saw [redacted]
14 [redacted] did you ever have any substantive discussion relating
15 to Korean affairs?

16 A No.

17 Q Did you ever make any campaign contribution or pay-
18 ment to [redacted] or his family?

19 A None.

20 Q Did you ever provide any gifts, goods or services to
21 the Senator or his family?

22 A No.

23 Q Regarding Senator ~~Ted Stevens~~ - are you acquainted
24 with Senator Stevens?

25 A Yes.

Q How long have you known him, and what is the nature
of your relationship?

FBI - Stevens-3522

A It has been purely social, but I think I have --

b6
b7c

AK DC

1823

1 We met with a little more frequency than perhaps some other
2 Senators, because we had many mutual friends; especially in

3 [redacted] he being from Alaska. [redacted]

4 [redacted] he

5 was a guest. He always brought [redacted]

6 Q [redacted]

7 A Yes.

8 Q And also a party for Senator Stevens hosted by

9 [redacted]
10 A Yes.

11 Q By the way, [redacted]

12 [redacted] the costs of the function hosted by

13 [redacted] for Senator Stevens?

14 A No.

15 Q Have you ever, by forgiveness of indebtedness or any
16 other device, provided to Senator Stevens or his campaign
17 anything that would be, in effect, the equivalent of a campaign
18 contribution?

19 A No.

20 He never did ask me and I never gave anything.

21 Q Now with regard to the meetings with Senator Stevens
22 or the contacts with him, I assume from the fact that you had
23 in common both [redacted] and friends
24 in it who were common friends, that there were occasions when
25 you discussed matters beyond purely social or personal matters?

26 A To best of my knowledge, we never discussed any
27 political or professional matters.

FBI - Stevens-3523

182K

b6
b7C

b6
b7C

1 Q Can you say for sure whether you ever discussed any
2 matters relating to the affairs of the [REDACTED]

3 A Well, if we had any discussions, he would always
4 complain - along with [REDACTED]
[REDACTED]

5 As you know, they were very adamant about keeping [REDACTED]
6 [REDACTED] out of Alaskan waters.

7 Q Right.

8 Aside from that particular limited topic of [REDACTED]
9 [REDACTED] over certain waters between the two countries, were
10 there any other substantive matters relating to the affairs
11 of the [REDACTED] which you discussed with Senator
12 Stevens?

13 A I, been interested in energy problems in general
14 and oil in particular - it highly conceivable that we talked
15 about those industries relating to the oil business in Alaska.

16 Q Did you ever discuss matters relating to [REDACTED]
17 [REDACTED]

18 A No.

19 Q Did you ever discuss with Senator Stevens matters
20 relating to foreign aid or military aid from the United States
21 to the [REDACTED]

22 A No.

23 Q Did you ever make campaign contributions to Senator
24 Stevens or his campaign?

25 A No.

Q Did you ever provide gifts, goods or services to
the Senator, his staff, or his family?

1 A No.

2 Q Do you have any knowledge about the origin of the
3 campaign contribution in 1972 received by Senator Stevens in
4 the form of a check, I believe, through the [REDACTED]
5 [REDACTED]
6 [REDACTED]

6 A I have no knowledge.

7 Q You are aware of the incident I'm referring to?

8 A I read it in the papers.

9 Q Is your knowledge of that incident limited
10 essentially to what you read in the newspapers?

11 A Yes.

12 Q With regard to Senator Stevens' activities. I
13 believe that he visited the [REDACTED]
14 Do you recall his coming here at about that time?

14 A No.

15 I don't even recall.

16 Q If he was here at that time --

17 A I would have remembered seeing him, but I --

18 Q You think then, it's rather certain you did not ever
19 see him on the occasion of any trip here?

20 A That's right.

21 Q Did you have anything to do with the arrangements
22 or suggestions leading to such a trip?

FBI - Stevens-3525

22 A No.

23 Q Now with regard to former [REDACTED]
24 you, of course, were acquainted with him and you will recall,
25 I believe, that he was one of the incumbents to whom you made

1A56



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

August 17, 1954

UNITED STATES ATTORNEY THEODORE F. STEVENS
FOURTH JUDICIAL DISTRICT OF ALASKA
FAIRBANKS, ALASKA

Mr. STEVENS advised me that he had nothing but the highest regard for the FBI and the agents assigned to the Fairbanks Resident Agency. He stated that he is also responsible for the prosecution of Territorial and local crimes in Fairbanks and he only wished that the local authorities responsible for the investigation of such crimes would operate with the same efficiency and dispatch as did Bureau agents.

Mr. STEVENS advised that he was particularly pleased with the police school which was sponsored by this office and held in Fairbanks during the week of August 2, 1954. He stated that he felt these schools did much to increase the knowledge and efficiency of the local officers.

Mr. STEVENS had no constructive observations as to how our services could be improved. All of his remarks regarding the Bureau were highly complimentary.

62-53471-13X
~~62-75209-4~~

COPIES DESTROYED
20 5 OCT 20 1964

FBI - Stevens-3452
ENCLOSURE

ENCLOSURE

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: August 17, 1954

FROM : SAC, Anchorage

ATTENTION: TRAINING AND INSPECTION DIVISION

SUBJECT: UNITED STATES ATTORNEYS
SUGGESTIONS

Fourth Judicial District

Re SAC Letter 54-36.

Attached hereto are memoranda containing the results of my contacts with United States Attorneys THEODORE E. STEVENS, WILLIAM T. PLUMMER, and THEODORE E. MUNSON of Fairbanks, Anchorage and Juneau respectively.

Please be advised that no contact was made with United States Attorney RUSSELL HERMANN of Nome, Alaska. Mr. HERMANN was not contacted at this time because he is located in Nome, Alaska, which is a 1200 mile round trip from Anchorage. Due to poor airline schedules, it would take at least three days to make this contact. The Second Judicial Division of Alaska, of which Mr. HERMANN is United States Attorney, is very sparsely populated and we have had no cases in this division since Mr. HERMANN took office approximately six months ago. During this time agents have made trips to the Second Judicial Division in connection with security investigations and our jurisdiction has been outlined to Mr. HERMANN by these agents. An agent will make a road trip to Nome, Alaska, sometime in September and Mr. HERMANN will be contacted by this agent regarding any suggestions he may have UACB.

Enclosures (3)

JHG:vjr

INDEXED

NOT RECORDED
199 AUG 26 1954

ORIGINAL COPY FILED IN

60 SEP 2 1954

FBI - Stevens-3453

Memorandum

~~SECRET~~



To : SAC, SAN FRANCISCO (105A-SF-87280) (P) (SQ8) Date 10/9/90

From : SA [REDACTED] (SQ.8)

DATE: 11-16-2010
CLASSIFIED BY 65179 DMH/SBS
REASON: 1.4 (c)
DECLASSIFY ON: 11-16-2035

b1
b6
b7C

(S) Subject: [REDACTED]
FCI-SU (MISC.)
OO: SAN FRANCISCO

All markings, notations, and items of information contained in this communication are classified "~~Secret~~".

(S)



b1

ACTION:

The attachments were obtained on 10/8/90 and are furnished for information and use, as deemed necessary.

~~SECRET~~
Classified by G-3
Declassify on OADR

- 3 - San Francisco
- 1 - 105A-SF-87280 Sub 2 (ELSUR)
- 1 - 105A-SF-87280 Sub A (FCI report SQ 8); Route thru 115.
- 1 - SF 105A-16284 Sub KV (SQ.14; SA [REDACTED])

JJR/kkb

(3)

① [REDACTED]

OCT 15 1990

FBI - SAN FRANCISCO

b6
b7C

FBI - Stevens-3535

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

~~SECRET~~

105A-20371-2040

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 2

Page 2 ~ b1

Page 3 ~ b1

315M-AN-13112
GDB:gdb

1

On October 23, 2003, Deputy United States Marshal (DUSM) [REDACTED] and Special Agent [REDACTED] Federal Bureau Of Investigation, both members of the Anchorage Division Joint Terrorism Task Force (JTTF), conducted an interview with [REDACTED], at Anchorage, Alaska. [REDACTED] serves as a [REDACTED] in the Alaska Senate. [REDACTED] was advised of the Agents' identities and the purpose of the interview. [REDACTED] provided the following information:

b6
b7C

[REDACTED] was asked if he had any knowledge of a subject named [REDACTED] aka [REDACTED] or a subject named [REDACTED].

[REDACTED] said he thought he might know [REDACTED] but that the subject he knew had another name, something to do with Indians, (as in American Indian). [REDACTED] indicated the subject he thought may be [REDACTED] was in his late forties, graying hair and looked to be in bad health.

[REDACTED] said he has never heard of the name [REDACTED].

[REDACTED] was shown several different photos of [REDACTED] aka [REDACTED] and a photo of [REDACTED]. [REDACTED] could not identify the photos of [REDACTED] did not remember ever seeing either subject at [REDACTED] residence in Girdwood, Alaska.

[REDACTED] was shown a photo of RICHARD BOOKBINDER, a known former associate of [REDACTED] who lived in Girdwood, Alaska. BOOKBINDER went by the name of "SNOW LEOPARD" and held himself out to be an Indian Shaman. (Investigator's note: BOOKBINDER died in 1999). [REDACTED] positively identified BOOKBINDER as the subject he believed to be [REDACTED] said he had been introduced to BOOKBINDER approximately 1991/1992. [REDACTED] further said BOOKBINDER had showed him a large amount of radio equipment that he, BOOKBINDER, had at his residence in Girdwood, Alaska. [REDACTED] thought the items were nothing more than Radio Shack retail store merchandise and nothing of any secret or high performance nature.

b6
b7C

[REDACTED] said he has not been to [REDACTED] residence (Senator TED STEVENS) in Girdwood, Alaska, in several months. [REDACTED] further said he has some [REDACTED] who may have had parties at [REDACTED] residence in Girdwood within the past few years and one or both of the subjects, [REDACTED] or [REDACTED] could have attended one of these events.

FBI - Stevens-3538

315M-AN-13112

2

[REDACTED] said he would contact FBI Anchorage JTTF personnel if he hears anything about either subject in the future.

b6
b7c

FBI - Stevens-3539

POSSIBLE CORRUPT FEDERAL
PUBLIC OFFICIAL MATTER;
580;

1

b2
b6
b7C
b7D

[redacted] provided the following to SA [redacted]
[redacted]

[redacted] several Anchorage businessmen who are attempting a project involving several old buildings condemned due to asbestos. Their plan is to purchase the property, remove the asbestos, tear down the buildings, mine the gravel underlying the property, fill the excavation with peat and other fill, and then donate the property to the Municipality of Anchorage for use as a park. The plan has profit potential would provide much benefit to the community, however, the project will entail much red tape.

There are numerous federal and state agencies involved in the property, including the EPA, HUD, DEC, and the Heritage Land Bank. The businessmen have been informed they will need strong support for the project from Senator Ted Stevens. They have also been informed the only way to gain Stevens' support is by hiring the law firm of Birch, Horton, Bittner, & Cherot (BHBC) to lobby the project to Stevens. BHBC charges a minimum of \$15,000 to \$25,000 as a remainder to lobby Senator Stevens. Allegedly, the money is forwarded to the BHBC office in Washington, D.C.

Source advised this arrangement is due to Ted Stevens [redacted] is the [redacted] in BHBC, 1127 West 7th Ave., Anchorage, Alaska. [redacted] is Senator Stevens' [redacted]
[redacted]

Senator Stevens' first wife was killed in an airplane accident in 1980. At approximately the same time, [redacted] and moved to Anchorage. [redacted] was introduced to Senator Stevens [redacted]
[redacted]

b6
b7C
b7D

[redacted]
[redacted]
[redacted] assigned to the BHBC office in [redacted]
[redacted]

Source advised source is willing to work with the FBI should the matter merit attention.

FBI - Stevens-3540

AN 56-0-2

Searched	Indexed
Serialized	FILED
JUN 22 1995	
FBI - ANCHORAGE	

[redacted]

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ Unrecorded Serial

Total Deleted Page(s) ~ 34

Page 1 ~ b1
Page 2 ~ b1
Page 3 ~ b1
Page 4 ~ b1
Page 5 ~ b1
Page 6 ~ b1
Page 7 ~ b1
Page 9 ~ b1
Page 10 ~ b1
Page 11 ~ b1
Page 12 ~ b1
Page 13 ~ b1
Page 14 ~ b1
Page 15 ~ b1
Page 16 ~ b1
Page 17 ~ b1
Page 18 ~ b1
Page 19 ~ b1
Page 21 ~ b1
Page 22 ~ b1
Page 23 ~ b1
Page 24 ~ b1
Page 25 ~ b1
Page 26 ~ b1
Page 28 ~ b1
Page 29 ~ b1
Page 30 ~ b1
Page 31 ~ b1
Page 32 ~ b1
Page 33 ~ b1
Page 34 ~ b1
Page 36 ~ b1
Page 37 ~ b1
Page 38 ~ b1

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ Unrecorded Serial

Total Deleted Page(s) ~440

Page 1 ~ b1
Page 2 ~ b1
Page 3 ~ b1
Page 4 ~ b1
Page 5 ~ b1
Page 7 ~ b1
Page 8 ~ b1
Page 9 ~ b1
Page 10 ~ b1
Page 12 Q. b1
Page 13 ~@ b1
Page 14 A b1
Page 15 ~ b1
Page 16 Q. b1
Page 18 ~@ b1
Page 19 ~ b1
Page 20 ~ b1
Page 21 Q. b1
Page 22 ~w b1
Page 24 ~ b1
Page 25 ~ b1
Page 26 M. b1
Page 27 ~w b1
Page 28 ~ b1
Page 29 ~ b1
Page 31 Ein b1
Page 32 ma b1
Page 33 A b1
Page 34 ~ b1
Page 35 ~ b1
Page 36 ma b1
Page 37 Ha b1
Page 38 ~ b1
Page 39 ~ b1
Page 40 Q. b1
Page 41 ~@ b1
Page 42 A b1
Page 43 ~ b1
Page 44 ~ b1
Page 45 Ein b1

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X Deleted S X
X ee Dupizeataen ee XXXXXXXXXXXXX
X XXXXXXXXXXXXXXXXXXXXXXXXX

Office Memorandum • UNITED STATES GOVERNMENT

TO : R. T. Harbo - F.B.I.

DATE: February 10, 1954

FROM : C. R. Kennell, Acting Chief
Executive Office for U. S. AttorneysSUBJECT: Orientation Program for United States Attorneys

On Monday, February 15, the United States Attorney-Appointees listed below will report for the Orientation Program. Biographical sketches are attached.

They will be at your office at 1:30 P.M. on Friday, February 19, for one and one-half hours of instruction. They are then to return to this office.

Theodore F. Stevens
Division No. 4
District of Alaska

Maurice Paul Bois
District of New Hampshire

Clarence Edwin Luckey
District of Oregon

Assistant United States Attorney John T. Hawley,
from the District of Idaho, will also attend.

RECORDED - 9

62-53438-212

MAR 2 1954

memo to Mr. Tolson
cc: Mr. Holloman
2/24/54 P.D. m.c.w.

memo to Mr. Holloman
2/24/54
BTH:CS

FBI - Stevens-3632

Biography of Theodore F. Stevens

United States Attorney for Division
No. 4, District of Alaska

Mr. Stevens was born November 18, 1923 at Indianapolis, Indiana, and is married. He attended Oregon State College, Corvallis, Oregon, and Montana State College, Bozeman, Montana. In 1947 he received the degree of A.B. from the University of California; in 1950 the degree of LL.B. from Harvard Law School, and in 1951 was admitted to the Bars of California and the District of Columbia. From 1943 to 1946 was in the United States Army Air Force as First Lieutenant. From 1950 to 1953 he was associated with Northcutt Ely, Washington, D. C. and from April to August 1953 with Collins and Clasby, Fairbanks. On September 1, 1953 he was appointed by the Court United States Attorney for Division No. 4, District of Alaska.

Business: Box 11, Federal Building, Fairbanks

Home address: 301, Northward Building, Fairbanks

FBI - Stevens-3633

ENCLOSURE

62-53438-212

Maurice Paul Bois

United States Attorney - New Hampshire

Mr. Bois was born in Manchester, New Hampshire, August 14, 1917, is married and has three children. He graduated in June 1939 from St. Anselm's College with an A.B. degree. He attended Fordham University Law School and was employed by the Massachusetts Bonding and Insurance Company from 1939 to 1940. On February 24, 1941 he entered on active duty in the Army and was honorably discharged with the rank of First Lieutenant on July 18, 1944. He attended Boston University Law School from 1944 to 1946 and graduated with an LL.B. degree. On November 6, 1946 he was admitted to the Bar of New Hampshire, and has practiced law since that time with his father at Manchester.

Home address: 715 Union Street, Manchester, New Hampshire

Business address: Manchester, New Hampshire

FBI - Stevens-3634

ENCLOSURE

62-53432-212

BIOGRAPHY OF CLARENCE EDWIN LUCKEY

United States Attorney
District of Oregon

Mr. Luckey was born February 6, 1919 at Eugene, Oregon, is married and has one child. He graduated from the University of Oregon with a B.S. degree in 1940 and an LL.B. degree in 1942. He was admitted to the Bar of the State of Oregon in 1942. He served in the United States Army from July 28, 1942 to March 26, 1946 when he was honorably discharged with the rank of Warrant Officer, Junior Grade. Since 1946 he has been District Attorney for Lane County, Oregon and also engaged in the private practice of law at Eugene.

Business address: 87 E. Broadway
Eugene, Oregon

Home address: 771 E. 21st Street
Eugene, Oregon

FBI - Stevens-3635

ENCLOSURE

62-53438-212

(06/01/1995)

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: January 10, 1997

To: San Francisco

Attn: SSA [REDACTED]

From: SA [REDACTED]

Sq 4

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] jtd

(S) Case ID #: [REDACTED]

(S) Title: ~~(S)~~ [REDACTED] OO: San Francisco

(S) Synopsis: Dissemination of data from [REDACTED] ~~(S)~~

(U) Classification: ~~(S)~~ This document is classified "~~SECRET~~ /ORCON" in its entirety unless otherwise marked.

Administrative:

(S)

[REDACTED]

Classified by: 6497, FBI San Francisco
Reason: 1.5 (c)
Declassify on: X 1

~~SECRET~~
~~SECRET~~
ORCON

DATE: 12-20-2010
CLASSIFIED BY 65179 DMH/SBS
REASON: 1.4 (c,d)
DECLASSIFY ON: 12-20-2035

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 10 1997	
FBI-SAN FRANCISCO	

RECEIVED AT ROTOR 4/26/97

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

FBI - Stevens-3636

(S)

b6
b7C

b1
b6
b7C

b1

b1

~~SECRET~~

(S) To: San Francisco From: SA [redacted]
Re: [redacted] January 10, 1997

b1
b6
b7C

(S) Details: ~~(S)~~ [redacted]
[redacted]

(S) [redacted]

(S) [redacted]

b1

(S) [redacted]

2

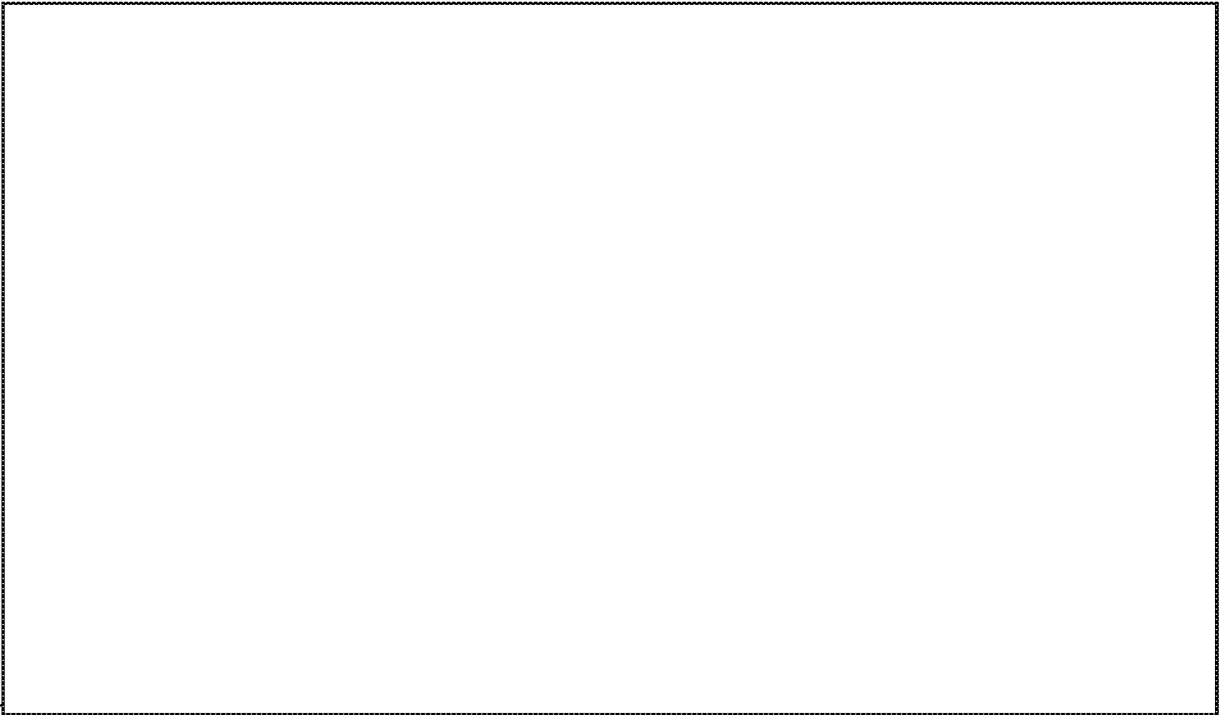
Classification: ~~SECRET/ORCON~~
Reason: ~~1.5 (c)~~
Declassify: X 1

FBI - Stevens-3637

~~SECRET~~

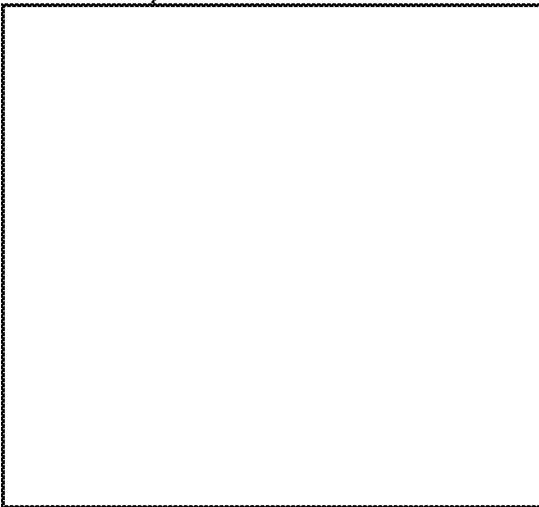
To: San Francisco From: SA [redacted]
(S) Re: [redacted] January 10, 1997

(S)



b1
b6
b7c

(S)



3

Classification: ~~SECRET/ORCON~~
Reason: 1.5 (C)
Declassify: X 1

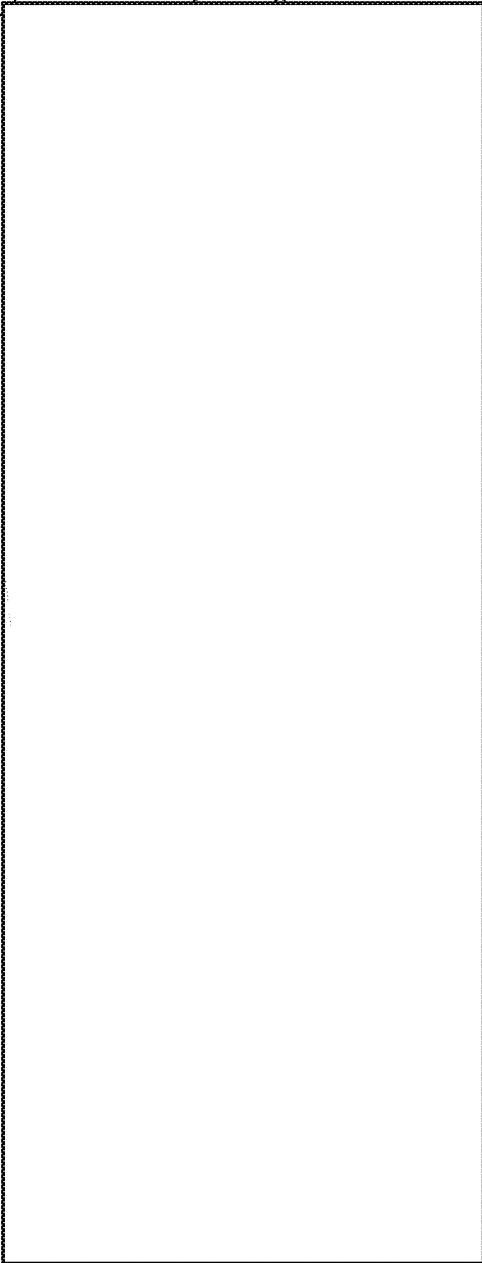
FBI - Stevens-3638

~~SECRET~~

To: San Francisco From: SA [redacted]

(S) Re: [redacted] January 10, 1997

(S)



b1
b6
b7C

4

~~Classification: SECRET/ORCON~~
~~Reason: 1.5 (C)~~
~~Declassify: X 1~~

FBI - Stevens-3639

~~SECRET~~

To: San Francisco From: SA [redacted]
Re: [redacted] January 10, 1997

(S)

(S)

(S)

b1
b6
b7C

(S)

CC: 1 - [redacted]
2 - [redacted]
1 - Elsur

♦♦

5

Classification: ~~SECRET~~/ORCON
Reason: 1.5 (c)
Declassify: X 1

FBI - Stevens-3640

Assoc. Dir. _____
 Dep. AD Adm. _____
 Dep. AD Inv. _____
 Asst. Dir.: _____
 Adm. Serv. _____
 Crim. Inv. _____
 Ident. _____
 Intell. _____
 Laboratory _____
 Legal Coun. _____
 Plan. & Insp. _____
 Rec. Mgmt. _____
 Tech. Servs. _____
 Training _____
 Public Affs. Off. _____
 Telephone Rm. _____
 Director's Sec'y _____

WARREN G. MAGNUSON, WASH., CHAIRMAN
 JOHN C. STENNIS, MISS.
 ROBERT C. BYRD, W. VA.
 WILLIAM PROXMIRE, WIS.
 DANIEL K. INOUE, HAWAII
 ERNEST F. HOLLINGS, S.C.
 BIRCH BAYH, IND.
 THOMAS F. EAGLETON, MO.
 LAWTON CHILES, FLA.
 J. BENNETT JOHNSTON, LA.
 WALTER D. HUDDLESTON, KY.
 QUENTIN N. BURDICK, N. DAK.
 PATRICK J. LEAHY, VT.
 JIM SASSER, TENN.
 DENNIS DECONCINI, ARIZ.
 DALE BUMPERS, ARK.

JAMES R. CALLOWAY
 CHIEF COUNSEL AND STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

FEDERAL GOVERNMENT

August 16, 1978

Mr. William H. Webster
 Director
 Federal Bureau of Investigation
 J. Edgar Hoover Building
 Washington, D.C. 20535

414 9/28/78
EXP. PROC.
 37 AUG 28 1978

Dear Mr. Webster:

I have been contacted by the Bering Straits Native Corporation concerning their request for a GAO audit. The General Accounting Office is reluctant to conduct an audit and feels that the situation is beyond their jurisdiction.

I am enclosing a copy of BSNC's original letter to me requesting assistance. I would appreciate your consideration of the matter and any comments you can offer as to the possibility of FBI assistance.

Thank you in advance for your consideration.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS
 United States Senator
 (Alaska)

Enclosure

REC-125

V-34

DE-71

46-0-6962

9/28
 5 AUG 28 1978

2- ENCLOSURE
 66 OCT 24 1978

Let Senator Stevens
 9/15/78
 G.H.K. mjt

Heidi
 9/17

FBI - Stevens-3641

CORRESPONDENCE



BERING STRAITS NATIVE CORPORATION

3150 MOUNTAIN VIEW DRIVE, ANCHORAGE, ALASKA 99503 (907) 776-1322

May 18, 1978

Senator Ted Stevens
Russell Building, Room 206
Washington, D.C. 20510

Dear Senator Stevens:

The Bering Straits Native Corporation Board of Directors passed a resolution requesting that the General Accounting Office perform an investigative audit of all its business since the date of the company's incorporation. We were informed by the Department of Interior that a request for GAO involvement would have to come from the Alaska Congressional Delegation, therefore, please use this letter for that purpose.

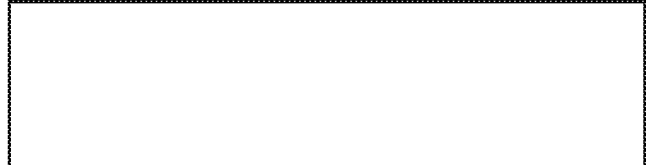
It is the belief of the Board, and I support this position, that BSNC was sold companies which were bad investments prior to purchase, and outrageous sums of money were paid to the original owners. This was done through misrepresentation and possible fraud, poor outside professional counsel and financial advice and lack of professional management.

A thorough investigation into all of these transactions should produce results that could bring about restitution of funds and at the same time set an example that might keep others from attempting "rip-offs" of other Alaskan Native corporations in the future.

Your full support and request to GAO would be appreciated and would be in the best interests of all the Alaska Native community.

Sincerely,

BERING STRAITS NATIVE CORPORATION



b6
b7C

RLD:lt

Attachment

46-0-1962
ENCLOSURE

FBI - Stevens-3642



BERING STRAITS NATIVE CORPORATION

P.O. BOX 1008 • NOME, ALASKA 99762 • (907) 443-5252

RESOLUTION # 5-09-78-5

BE IT RESOLVED that the Bering Straits Native Corporation Board of Directors requests management to make a request of the Alaskan Congressional delegation to have the United States Government Accounting Office proceed with an investigation of all business conducted by the corporation since its inception.

Passed and approved this 9th day of May, 1978.
VOTE: FOR 11; AGAINST 0; ABSENT 4.

BERING STRAITS NATIVE CORPORATION

By



b6
b7c

ATTEST:



FBI - Stevens-3643

~~CONFIDENTIAL~~

46-0-6962

ENCLOSURE

1 - Mr. Moore
1 - Mr. Best
1 - Mr. Henahan
1 - Mr. Keenan
1 - Mr. Mintz
(Office of Congressional Affairs)

September 15, 1978

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

FEDERAL GOVERNMENT

Dear Senator Stevens:

O.F.A.G.

In reference to your letter of August 16, 1978, and its enclosure concerning the Bering Straits Native Corporation (BSNC), please be advised your letter and its enclosure have been forwarded to our Anchorage Office and that [redacted]

[redacted] of the BSNC will be contacted in order to determine if he has any information pertaining to a violation of Federal law. The matter will thereafter be discussed with the United States Attorney at Anchorage, Alaska, for a determination from him as to whether or not any investigation by the FBI would be appropriate. If you should require any further information concerning this matter, it is suggested that you may wish to contact the United States Attorney, Anchorage, regarding same.

b6
b7C

Sincerely yours, V-34
REC-125

William H. Webster
William H. Webster
Director

DE-71 46-0-6963

SEP 29 1978

GHK:msj
(10)

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____ 2 - SAC, Anchorage (for information)

Asst. Dir.:
Adm. Serv. _____
Crim. Inv. _____
Ident. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Insp. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Public Affs. Off. _____
Telephone Rm. _____
Director's Sec'y _____

APPROVED: _____
Director _____
Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____

Adm. Serv. _____
Crim. Inv. _____
Ident. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Insp. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Public Affs. Off. _____

66 OCT 24 1978

FBI - Stevens-3644

MAIL ROOM ☐

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 03/26/2008

To: Anchorage

From: Anchorage

Squad 6/Fairbanks RA

Contact: SA [REDACTED]

Approved By: [REDACTED]

b2 Per FBI

b6

b7C

Drafted By: [REDACTED]

Case ID #: 194-0 (Pending)

800A-AN-A13718 SQUAD6 (Pending)

Title: UNITED STATES EMBASSY TO PRAGUE
PUBLIC CORRUPTION MATTER

Synopsis: To document allegations of past public corruption concerning the U.S. Embassy to Prague.

Details: The purpose of this communication is to document allegations of past public corruption concerning the U.S. Embassy to Prague. The information was provided on 03/24/2008 by [REDACTED] who resides at [REDACTED] Alaska [REDACTED] telephone number [REDACTED]

For the information of Anchorage, [REDACTED] has lived in Alaska for over 40 years and is now retired. During the 1980's, he was [REDACTED] for [REDACTED] of the Alaska Republican Party. [REDACTED] bases these allegations on his experience while attempting to gain visas from the U.S. Embassy to Prague for relatives living in the Czech Republic to attend a family reunion in the United States. The matter was the subject of an editorial by Dermot Cole in the Fairbanks Daily News Miner on 08/06/2004.

During [REDACTED] arranged for a family reunion of approximately 150 of his relatives, to take place in the United States. Two of these individuals, [REDACTED] are citizens of the Czech Republic. The U.S. Embassy in Prague refused to issue visas for them on the basis that they did not provide records of their financial savings or family ties to the Czech Republic.

[REDACTED] attempted to provide this information to the embassy, but it refused to receive it from him. A letter from

b6 Per FBI

b7C

To: Anchorage From: Anchorage
Re: 194-0, 03/26/2008

b6 Per FBI
b7C

Deputy Consul General Andrew T. Miller of the embassy to Senator Stevens' Fairbanks Office dated 06/04/2004 advises that such records must be provided by the applicants of the visas and not other parties, including family members in the United States. This information is required to overcome the implicit assumption of immigration.

[redacted] believes the real reason for the refusal was failure to pay a bribe to the embassy. During the visa hearing between [redacted] and the [redacted] Miller reportedly asked, "Where's the money." The denial letter was prepared before the hearing; [redacted] handed it to them on the spot. [redacted] subsequently heard that visas can be bought from the Prague embassy for a price.

Neither Senator Ted Stevens nor Federal Judge Andrew Kleinfeld were willing to assist [redacted] relatives with obtaining a visa. They both responded that interference in a State Department matter would be an improper use of their influence. [redacted] was disappointed by these refusals, because he believes that both of these individuals have conducted unethical activities during their public careers:

During the 1980's, Attorney Andrew Kleinfeld provided a \$5,000 donation to the Alaska Republican Party. [redacted] first believed that this check was a general contribution. He was directed instead to deposit the \$5,000 to a general account, and then to make a simultaneous transfer of \$5,000 from the general account to Senator Stevens' reelection campaign. [redacted] alleges that this was a wash transaction, which is an illegal unreported contribution. Shortly after this donation, Kleinfeld received an appointment as a Federal Judge which was supported by Senator Stevens.

Charles Snedden owned the Fairbanks Daily News Miner until his death in 1989. [redacted] alleges it was common knowledge that Snedden left Senator Stevens his \$400,000 yacht in his will. [redacted] believes that this was compensation for various federal spending projects promoted by Stevens for the Fairbanks vicinity. [redacted] also believes that Stevens was instrumental in the financial success of Blackwater U.S. through federal contracts. Stevens interviewed the president of Blackwater U.S. during March, 2007. [redacted] believes that Stevens may be receiving kick backs from this company.

♦♦

1 - E. Nolan
1 - D. W. Marsland

May 12, 1982

Honorable Theodore F. Stevens
Assistant Majority Leader
United States Senate
Washington, D. C. 20510

Dear Ted:

I appreciate your letter advising me of your dinner with Mr. Ji Chaozhu, Minister-Counsellor, Embassy of the People's Republic of China. My staff tells me Mr. Ji has a reputation as a knowledgeable and able diplomat who has been responsive to United States policy positions.

As you know, your letter is very helpful to us in fulfilling our counterintelligence responsibilities. Edward J. O'Malley, Assistant Director of our Intelligence Division, has suggested to me that if you have an opportunity to do so, similar notification of future meetings you may have with officials of the People's Republic of China would be of interest.

If I can be of further assistance in this matter, please let me know.

Sincerely,

W. H. Webster

William H. Webster
Director

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 11-30-82 BY SP18SKTD
232.722

Vol 11

1-31

100-4133-92

Exec AD Adm. WHL:bo (5)
Exec AD Inv. WHL
Exec AD LES WHL
Asst. Dir.:
Adm. Servs. WHL
Crim. Inv. WHL
Ident. WHL
Insp. WHL
Intell. WHL
Lab. WHL
Legal Coun. WHL
Off. Cong. & Public Affs. WHL
Rec. Mgnt. WHL
Tech. Servs. WHL
Training WHL
Telephone Rm. WHL
Director's Sec'y WHL

MAIL ROOM ☐

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 17 1982	
FBI - NEW YORK	

3 MAY 17 1982

100-4133-43

5-N

FBI - Stevens-3647